



New York Drafts a Charter

AS THIS issue of the REVIEW goes to press, the long awaited draft of the proposed charter for the City of New York, on which the Charter Revision Commission appointed by Mayor LaGuardia has been at work more than a year, has just been released.

In brief it provides for the election of the mayor, comptroller, and president of the newly established council by city-wide vote and of the five borough presidents by borough-wide vote. The board of estimate which has proved its usefulness in New York City over a long period of years, is continued, composed of these elected officials with the same distribution of votes as at present (the mayor, comptroller and president of the council, three votes each; the presidents of the boroughs of Manhattan and Brooklyn two votes each; the others, one vote each). A council of twenty-nine members (nine from Manhattan, ten from Brooklyn, five from the Bronx, four from Queens, and one from Richmond) replaces the old and much discredited board of aldermen. The members of this council are to be elected by senatorial districts, with two additional councilmen-at-large each for Brooklyn, Queens and the Bronx, pending reapportionment.

Most gratifying is the decision of the

Charter Commission to submit the question of the election of the council by proportional representation to the electorate. If this should be approved, councilmen will be elected by borough-wide election, each borough electing one councilman for every 75,000 votes cast. While there is little or no doubt as to the efficacy of proportional representation in solving the serious problem of the perennial lack of minority representation in the government of New York through guaranteeing representation to any group in the population that can muster 75,000 votes, reform groups in New York City have a big job of salesmanship on their hands. Without Tammany, it would be no easy matter to explain proportional representation to the voters of New York City; with Tammany in vigorous opposition, the difficulty of the job will be multiplied many-fold. Fortunately, the vote presumably will come at a time when Tammany will have plenty to worry about in other directions. "P. R." can be sold to New York voters with sufficient time and effort but assuming that the proposition will be placed on the ballot this fall, it will mean taking off coats and rolling up sleeves and tackling the selling job with energy.

Among the highlights of the new

charter is its provision for a real city plan commission. While final authority with respect to capital improvements in each case always rests with the board of estimate, the commission prepares the annual capital budget and a program of capital expenditures over a six-year period. Furthermore, all proposals for improvements or for changes in the city map or zoning regulations must first be referred to the planning commission. If approved, the board of estimate may adopt them by majority vote; otherwise, twelve affirmative votes (a three-fourths majority of the votes) are required.

Encouraging in its simplicity is the proposed charter. Hardly longer than the model charter of the National Municipal League, it leaves a host of detail to be taken care of in the administrative code. In this connection, readers of the REVIEW will be interested to know that serious consideration was given to the city manager plan by the commission but the final conclusion was that "it would involve dangers too grave to risk" at this time.

Any charter commission inevitably

faces the choice between what it may consider the ideal solution to a problem and the solution which it deems feasible in view of what might be termed the atmospheric conditions. These latter include the practical question as to what the public will accept in its present state of mind as well as what would be advisable in view of the existing political, social, economic, and religious situation in the community. So long as the public has the veto power over the designs of its experts and the necessity for wearing the garment these designers create, the expert must time technical perfection to suit public fancy.

From this point of view, the charter commission has done a good job. The charter is one which can probably be adopted. It is not as progressive as many advocates of governmental reorganization would wish. But it is a tremendous improvement over the old charter and as such should be wholeheartedly supported by all those interested in good government in New York City.

Unemployed Capture New Jersey Legislature

One of the most dramatic incidents in the whole history of unemployment relief took place recently in New Jersey when the unemployed took physical possession of the state legislature, camped day and night in the seats of the members, and declared it their intention to stay until action had been taken to restore exhausted relief funds.

This comes uncomfortably close to "rump" parliamentary tactics; certainly it is carrying pressure politics almost to the point of breaking down representative government. Had the relief group based its coup d'état on a constructive program (or if it had had a program, constructive or not) there is no telling what influence it might have had on future public policy. Fortunately or unfortunately, as the case may be, the "capture" of the New Jersey legislature was merely a gesture of desperation on the part of those in need. They were suppliants demanding help with

a threat in their voices—that was all. From the standpoint of political science, however, the emergence of a new group consciousness on the part of the unemployed is fraught with tremendous possibilities for good or ill.

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A New Local Government Publication

We are glad to welcome a new contemporary—*Legal Notes on Local Government*—which made its first appearance in April of this year. Sponsored by the Section of Municipal Law of the American Bar Association, of which Professor C. W. Tooke of the New York University School of Law is chairman, the publication is being edited by the Legal Research Bureau of that school. This new monthly summary of judicial decisions in the field of municipal law fills a real need. Our readers will recognize an old friend in Professor Tooke, who for years was editor of the Section on Judicial Decisions in the REVIEW.

H. P. J.

Will the legislature about to convene retain the dictatorial legislation placed on the statute books by the "Kingfish"?

Louisiana after Long

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A NEW kind of state and a curious type of city evolved in Louisiana under the shaping of the late Senator Huey P. Long—a giant state and a pigmy city. Powers of the cities were tossed to the state to feed it to a huge authority.

How far the exceptional dominion of the state may persist will be indicated this month of May when the Louisiana legislature convenes.

The "dictatorship" initiated by Senator Long will then be somewhat trimmed, but doubtless in considerable part retained.

The shrinkage began in spirit after the passing of the "Kingfish," as the Senator in his humorous strain often liked to refer to himself. A few modifications of extreme laws were made by officials. The current session brings the first chance to change the drastic legislation.

What is done with the disputed measures will be guided completely by the wish of the political machine created by Senator Long. His faction was continued in office for four years at the primary election of last January. Thanks to his forceful planning, the Long organization has enlarged its control in the state.

The domination inherited by today's leaders they can keep. But fortunately they are more temperate, and neither so driving nor so audacious. The faction

now is partially willing to concede where the Senator would combat. The cohesiveness enforced on strong men by a stronger has also diminished.

Feeling a release, public opinion has resumed more of its wonted readiness. On its part the Long machine has become more sensitive to public thought.

Yet the machine holds peculiar advantages in the dictatorial legislation. Some of its abnormal benefits it appears very likely to cling to. While the Long organization governs, it will probably seek to help itself by part of the extraordinary legislation fashioned for its perpetuation.

Several laws which disturbed special groups already appear outmoded. One, it is promised, will be watered down. This law cast public school teachers into the whirlpool of politics.

During the last campaign the new governor, Richard W. Leche, pledged himself to renovate the school legislation. Judge Leche brings a milder and totally different character into supremacy than that of Senator Long.

Senator Long's school law empowers the state to discharge any public school teacher in Louisiana and name a substitute. As the law stands, a political board can hire or fire all.

Even the state superintendent of public education, just re-elected on the Long ticket, backed off. Teacher organizations protested. Teachers did not

like the threat of having to seek the approval of a politician to hold or get a job.

Though the state superintendent denatured the law in part, still a score of teachers were indirectly dropped last year through politics. Enough was done with the legislation to show its potentialities, had the politicians ventured to make full use of their chances.

The new law now proposed by the state superintendent plans protection of teachers in their tenure. After having served three years, a teacher can be removed only after hearing by the local school board, in public or private, at the teacher's option. If not satisfied, a teacher can then appeal to the courts.

State control of local school expenditures will doubtless continue. The state of Louisiana gives more for the operation of the public schools than do most states. Consequently, under Senator Long, the state took over larger supervision. Where the state gave, it was argued, the state should oversee. The trend is not without significance in connection with the possibility of federal contributions to local education.

Senator Long did much to augment the funds available for use in the poorer school districts of Louisiana. He multiplied the revenues of the state university. Public schools are now hunting illiteracy out of the state, while Louisiana State University has become one of the largest schools in the south.

Bitter as opponents of the Long regime have waxed, none has contemplated repealing all of the Senator's legislation. Too much of the constructive was intermingled with the dubious. The young southerner's roads, bridges, education, buildings, and other public improvements testify of a progressive spirit, which unfortunately lacked brakes. Bounding vitality, resourcefulness, and ambition produced both achievement and excess.

This article does not undertake to canvass the wholesome accomplishments of Senator Long, which are now history, but rather to review his reputedly dictatorial laws, whose fate remains still in the making.

Long's law putting the state bar association and the self-government of lawyers into politics, rather than reserving these professional matters for control of the lawyers themselves, furnished no achievement. This legislation seems of little value to the Long faction and may be dropped. Repeal of laws which cut off Louisiana from participation in federal spending is expected. The Long faction does not now entertain the hostility of its former leader to the Roosevelt administration.

Of far greater concern, the Senator's remarkable election law remains without present likelihood of change.

ELECTION DICTATORSHIP

Louisiana stands unique among the states, one against forty-seven others, in permitting a state administration to monopolize the state election machinery. This, as many Louisianians have felt, is genuine dictatorship.

Custom throughout the nation calls for both sides in an election to have election officials. The practice is not a courtesy, but a necessity. Through decades of election fraud, cheating at the polls has become a skilled profession. The largest show of sleight-of-hand trickery in the country takes place in the counting of the ballots. Chicanery of course is not uniform. Many localities have stayed honest. But in most big cities, and notably in New Orleans, dishonesty in elections has become proverbial.

Rival officials offer a safeguard. Where one faction legally dominates the polls, that faction goes into the

campaign incomparably advantaged. Canny politicians are discouraged from taking chances with the opposing side. The public wonders whether after all it will be much use to vote. Candidates of the opposition can do little more than hope for an uprising of the populace to demand a fair count. And then, as at the Louisiana primary of last January, perhaps the public does not rise.

Huey Long's election law helped his faction this year to pile up a victory that in a great measure it would have reaped any way. So valuable a law may not readily be sacrificed even for the public good. A stalwart element in the Long machine justifies and insists upon keeping the Long election law.

POWER OVER LOCAL OFFICIALS

Odd as it would seem in the north if the Democrats or the Republicans had the naming of all the officials for an election, Louisiana offers a still more bizarre law to the nation.

The state has taken the power to discharge every appointive municipal or county (parish) employee in all Louisiana. The dog catcher in New Orleans and the chief of police in Shreveport hold their jobs subject to consent from the handsome capitol at Baton Rouge. Some ten thousand city and fifteen thousand county employees, according to one estimate, have been thrust under state supervision. Only the elected officials are exempted. Incidentally, several of these felt the discipline of the budding dictatorship by seeing their offices declared vacant through special act of the legislature.

The extraordinary domination of city and county jobs and the one-sided election law register Louisiana's greatest departures from normalcy. These measures mark a state climax of the spoils system.

With the art of a master of machine politics Long put his hand on local jobs

by a simple legislative act. He merely created a "state civil service commission," which at first had nothing to do with the state employees but was later to embrace them.

By its "civil service" law, the state machine obtained a veto over the city jobs controlled by its opponents in the rival New Orleans "ring." The Long faction thereupon let out about seventy municipal employees in New Orleans by the process of withholding approval of their tenure.

A spoils machine built on jobs finds the loss of jobs the one thing the organization cannot endure. The artifice, which Senator Long invented to fracture his opposition in the largest city in the south, worked. The "old regulars" of New Orleans for the most part came over and helped the Long faction in the vital election of last January.

The bargain they made was reported to include lifting the state's veto from the police and fire departments of New Orleans. It was also rumored last fall that the state civil service law would be repealed this spring. Some still hope it will be removed. A number of the most influential members of the Long faction, however, have insisted on keeping the law.

Ultimately, if Louisiana is to return to the typical manner of self-government in the nation, such state usurpation will have to be discarded. At present it remains a perquisite of the faction in office, one of its most useful political instruments.

CONTROLLING LOCAL FINANCES

Through other laws additional authority was siphoned away from the local community to present an unaccustomed authority to the state. For instance:

The state can supervise the finances of every local taxing body. It denies

to all the authority to borrow money, to incur debt, or to issue bonds without its approval. In New Orleans the state tried to block the city from even paying its bills. Senator Long's attempt to tie up the city treasury of New Orleans was evaded by appeal to the federal courts under the federal municipal debt adjustment act of 1933.

The state has obtained complete control over local taxes. The Louisiana Tax Commission, appointed by the governor with the approval of the senate, has the power given it by an act of 1934 to change the assessment of any taxpayer prior to the payment of the tax. Local assessors do the actual work, but their findings must be approved by the tax commission. Hence by its authority to change, the state commission controls all assessments. Taxpayers aggrieved with their assessments may appeal to the tax commission. If dissatisfied with its ruling, they may then go into the state courts. During the Long regime there was much complaint that state courts were frequently controlled by the state administration. In several of the most important tax suits citizens sought refuge in the federal courts. Questionable tax practices in Louisiana had beginnings antedating Huey Long, and certain of their most objectionable features have been dropped in the last six months.

As in taxes, so in the state's veto over municipal and parish (county) employees, the state's authority is lodged in a state board, but on big issues actually resides in the master hand of the state administration. Usually, of course, that is the governor. In the most vital years of the Huey Long period, the authority was dispensed by a United States senator. Governor O. K. Allen and Long had been boyhood neighbors and friends. When Long retired from the governorship to go to the senate, he made Allen governor in his place. By

compliance with Long's directions, Allen enabled Long to continue his personal control of state affairs and politics.

GOVERNING BATON ROUGE

Through another of the "Kingfish's" unusual laws, the state has virtually taken over the administration of the parish (county) of Baton Rouge in which the capital is situated, comprising nearly five hundred square miles. It did this by authorizing the appointment of thirteen commissioners, to sit with the thirteen commissioners who were elected. Several of the elective officials went over to the Long appointees to form a majority and reorganize the board.

The state has set up a veto power over the appointment of deputy sheriffs in the principal parishes (counties).

Through these and the other "dictatorial" laws, power was concentrated in the state at the expense of the local community. Local self-government was disparaged and discouraged. The ability of men to administer their community affairs was trimmed in order to aggrandize the central authority. Municipal home rule was sacrificed for state control as in no other state.

Centralization of course has lately developed strongly in the federal government, and to a lesser degree in various other states. The extreme trend in Louisiana is justified among important figures in the state house as only in step with a common swing and misunderstood because ahead of its times.

"Louisiana is leading the nation, as we interpret tendencies, in giving the state government more authority," remarked one of the leaders of the Long faction last fall. "The same process of centralization has become more prominent in the federal government. It is also working in the states, but in none as yet so substantially as in Louisiana.

"Huey Long was ten to twenty years in advance of his period. If it had

been any one else than Senator Long, the laws would have made no stir. Prejudice against him personally caused his laws to be attacked as dictatorial.

"Nevertheless, the time has come when the local district looks to the state for help as never before. It cannot expect to receive assistance without supervision.

"It is not through obstinacy that we believe in retaining such legislation, but because we are convinced that such laws are good and after fair trial will be found to be satisfactory. However, any features that prove objectionable will of course be modified if their operation proves unduly hampering or oppressive."

If efficiency were the sole aim of Louisiana's centralizing, the theory of government thus advanced might appear more congenial. But to take the opposite estimate as thus expressed by critical natives:

Centralization of local government in the state was done on a political basis and for political reasons. It was not done on the basis of good governmental administration. Very few of the changes made were business-like. For example, one cent of the three-cent gas tax in New Orleans was taken away to be collected by the state and returned to the city. Thus two tax collecting agencies are necessary. Local government powers and authorities were not added to state departments for the purpose of improving local services or to do the job better. Instead a few new politically organized boards and commissions were created to control cities, parishes, and schools.

Little if any of the new state power has been written into the constitution.

The "dictatorial" laws were as a rule swiftly put through one or another of the frequent brief special sessions of the last few years. Hence such legislation can be as readily erased.

The inherent American feeling for local self-government has been making itself heard anew in the months following Senator Long's passing. Many natives think the state is steering into better times and that politics will relax much of its restraints. Louisiana's natural resources are great. Through Huey Long's levying of many taxes the state government enjoys liberal revenues. There is no reason why local government should not be immediately restored if conceded by the Long political machine, or if the machine broke up. The opposition to the Long ticket at the last election made "home rule" its slogan. Once an opposition gets into office, local government, if still repressed, is likely to take a quick rebound.

Should America be descending further into spoils politics, then Senator Long's "dictatorial" legislation may possibly set a pattern, encourage repetition elsewhere, and maintain an indeterminate endurance.

Fortunately, it is more reasonable to forecast that this nation is moving with the slowness and certainty of a downward pushing glacier toward better self-government.

If machine politics is intensified and local government devastated for a time in Louisiana, these halts may signify no more than a chill day in early spring, when the seasons are breaking up, when winter is ineffectually reasserting herself, and futilely resisting the inevitability of summer.

Municipalities and R.E.A.

How cities are furnishing the farmers with electric power, thereby helping themselves as well as their rural neighbors

MORRIS L. COOKE

Administrator, Rural Electrification Administration

To forward looking municipalities interested in sharing with the surrounding countryside some of the advantages of urban life, the government offers a peculiarly attractive program through the Rural Electrification Administration.

Established by executive order in May 1935, REA is one of the youngest members of the government family. In its short period of existence, however, REA's work has furnished the basic pattern for the ten-year rural electrification program contemplated in the Norris-Rayburn bill. A brief examination of this pattern will enable us to understand REA's particular message for municipalities.

The purpose of the Rural Electrification Administration, as outlined in the order creating it, is "to initiate, formulate, administer, and supervise a program of approved projects with respect to the generation, transmission, and distribution of electric energy in rural areas." To this end, REA makes loans to responsible applicants for the construction of self-liquidating electrification projects. Repayment may extend over a period of twenty years, during which time the loans bear interest at 3 per cent.

Although empowered to make loans for generating plants, REA has not actively encouraged the construction of such plants. That this is the case will

readily be surmised from the fact that of forty-four projects approved for loans by REA, only one contemplates the building of a generating station. REA believes that a far greater number of farms will be benefited if most of its funds are used for the extension of distribution lines from already existing sources of power. Moreover, REA seriously endeavors to cooperate fully with existing utilities, whether publicly or privately owned. Proposals for duplicating or competing lines are therefore barred.

As noted above, REA considers applications from any responsible applicant. Such an applicant may be an established private company wanting to enlarge its rural distribution system. It may be a municipality owning such a system and desiring to extend its operations throughout the adjacent countryside. The borrower may be a farmers' cooperative association, organized expressly for the purpose of securing electric service in the area where its members live. Or, in the absence of a law permitting cooperative associations to engage in such a business, it may be possible to organize the desired form of corporation under the general corporation law. REA offers particular encouragement to public bodies and cooperative or other non-profit corporations.

Municipal plants are frequently well

equipped to promote farm electrification and to offer rural service at moderate rates. In fact, the policy of municipals serving REA projects has generally been to grant the same rates to rural consumers as to domestic consumers in town. The directors of a municipal plant might reasonably be expected to have a more intimate knowledge of and interest in the welfare of the prospective rural customers than other utility officers whose acquaintance with a given territory may be confined to their balance sheet. Since they are already operating, municipals may sometimes find it feasible to make short extensions which could not be operated successfully as a separate unit by a new organization. Furthermore, the characteristics of the rural load are frequently such as to produce considerable improvement in the load factor of the municipal system. For example, two major appliances widely used in farming districts are large refrigerators and water pumps. Since these appliances require current during the night, their load would represent a valuable addition to the total load.

Where REA lends funds to municipalities for the construction of rural lines, and such lines form an integrated system, the only security usually required is a mortgage on the new lines and a pledge of the revenues therefrom. In many cases no pledge of urban revenues is asked. Thus, from a practical point of view, a well established municipal plant should experience little difficulty in taking part in the REA program.

Occasionally municipalities planning to offer rural service may encounter legal obstructions. Two restrictions are fairly common, but, as will be shown later, are by no means insuperable. A city may not be empowered to provide electric service outside its corporate

limits, or its activities beyond the corporate limits may be limited in range or volume. There may be a constitutional limitation upon the amount or type of indebtedness which the city may incur. In such contingencies, the farmers' cooperative presents a happy solution.

COÖPERATIVES MAY ACT

Coöperatives are organized on a non-profit basis. Whenever a coöperative's operations result in a surplus over all necessary reserves, the excess is prorated to the members according to their use of its services, or is reinvested for improvement and enlargement, or both. Since each member has only one vote, the coöperative is truly democratic. It is, therefore, a peculiarly satisfactory vehicle for such a program as that of REA.

In dealing with coöperatives (or, for that matter, with other bodies), REA makes no attempt to dictate details of organization or policy. The coöperative is free to establish whatever type of organization it finds most suitable for a truly coöperative policy. Likewise, it may handle the electrification problem as best serves the community. It may engage in the generation, transmission, and distribution of energy, or it may buy power at wholesale and take over only the ultimate retail distribution. It may employ its own staff of engineers and linemen, or it may let contracts for the maintenance and operation of its lines to other agencies which already have the needed personnel and equipment. REA confines its requirements to a few major points: that the applicant have a satisfactory legal status, that construction be of a quality sufficient to insure good service and an adequate degree of safety, and that the project be economically sound, in order that the loan may be fully liquidated.

Thus the REA program opens up to municipalities a twofold opportunity

Location of Project	Municipality Involved	Municipality Provides Energy	Municipality Services Lines	Municipality Is Borrower
Iowa, Sioux County	Hawarden, Iowa	Yes	Yes	Yes
Tennessee, Rhea County	Dayton, Tenn.	Yes	Yes	Yes
N. Carolina, Wilson County	Wilson, N. C.	Yes	Yes ¹	No
Georgia, Wilkes County	Washington, Ga.	Yes	No	No
Ohio, Logan County	Bellefontaine, O.	Yes	No	No
Ohio, Champaign-Miami-Shelby Counties	Piqua, Ohio	Yes	No	No

¹Provisional.

for service—directly, through rural extensions operated by the city plant itself, and indirectly, in conjunction with other agencies. As indicated by the foregoing discussion, REA encourages the setting up of coöperatives because their non-profit feature makes them in essence, though not in form, public bodies. In some states, however, the laws do not provide for the formation of coöperatives. Where this is true, it may be necessary to organize a non-profit utility corporation. But a municipality genuinely desirous of rendering service to its rural neighbors can usually find the means to do so.

A glance at the table above will quickly reveal the basic relationship between the municipal and the rural system in eight representative REA projects, either approved or pending.

In every project shown above, it will be noted, the city provides energy. Yet only two projects—those in Sioux County, Iowa, and Rhea County, Tennessee—are being carried through from start to finish by the municipality. The reason for this variation is, in part, a variation in the powers granted to municipalities by the laws of different states. Municipal officials should not, however, be discouraged by the apparent hurdles set in their course. Rather, the facts developed in the accompanying table should convince them that in a majority of cases they can clear the jumps without any great difficulty.

We have pointed out the two methods, direct and indirect, by which municipalities may further the cause of rural electrification. The direct method requires that the city perform every necessary function from arranging to finance the line to operating it. As the Sioux County project falls into this category, we may well examine its history.

The Mayor of Hawarden, Iowa, attended the joint conference of municipal officials and REA representatives held at Washington in May 1935. There he discussed with REA officials the general aims to be attained, although detailed plans were still in the making. Likewise, he learned something of the TVA power development. His interest was especially aroused by the situation in Alcorn County, Tennessee. There Corinth, the county seat, had for years been served by a private utility. By purchasing the existing distribution system and making further extensions into rural territory, Corinth had become the nucleus of a county-wide coöperative electric association. At the time of the conference, Alcorn County was just rounding out its first year—a very successful one.

Hawarden's mayor wanted to know more, for his city already had its own generating and distributing systems. Plenty of surplus power was available for rural consumption. So the city clerk wrote REA for further details. According to his letter, a preliminary can-

vass indicated that the rural extensions might total fifty miles. After one month's promotion, the sponsors of the project enthusiastically reported that there was a probability of including between eighty and ninety miles. When formal application for an REA loan was finally made, it clearly attested the value of thorough investigation of the market. Hawarden's allotment of \$127,500 will build 150 miles of rural lines. And they are all within a twenty-mile radius of the Hawarden plant.

CITIES FURNISH POWER

To Iowa's liberal laws must be attributed part of the rapid development of this project, which is the pure type of municipal-REA relationship. The city initiated the project; will contract with REA for the loan; will take bids on the construction of the lines; will generate and supply the energy; and will itself operate, maintain, and repair the rural lines.

This procedure, which should insure uniformity throughout the entire electric system, will also be followed in Rhea County, Tennessee. Located within the transmission area of the Tennessee Valley Authority, the city of Dayton has enjoyed TVA's cheap wholesale power since February 1935. In May of that year, shortly after the establishment of the Rural Electrification Administration, the city commission authorized the mayor of Dayton to seek REA aid in financing rural extensions to the municipal electric system. For some time, as the mayor explained in his letter of application, the people of Rhea County had been "requesting and almost demanding" electric service. The city therefore submitted a proposal for 38.9 miles of rural distribution lines, to serve 215 customers. For this project REA approved a loan for \$38,058.

A somewhat different solution was

necessary in Wilkes County, Georgia. A group of farmers living along a twelve-mile stretch of road running west from Washington, Georgia, approached the engineer of the Washington municipal system to find out how they might obtain service. The city officials were willing to build an extension to their distributing system provided it could be financed through REA. Accordingly a preliminary application was submitted on behalf of the city.

Because of a constitutional limitation on its indebtedness, however, the city of Washington could not legally become party to a loan contract. Further examination of Georgia statutes revealed that there was no objection to the formation of a coöperative body for the building and operation of an electrification project. The farmers therefore organized a group called the Rayle Electric Association. This corporation has entered into a contract calling for the borrowing of \$12,000 of REA money with which to build the extension.

The city has, however, by no means surrendered all interest in the project. Besides supplying the energy, which the municipal plant purchases at wholesale from the Georgia Power Company, the city has agreed to lend its engineer and accountant to the coöperative. During construction these two officials will supervise matters falling within their respective provinces. If the coöperative wishes to contract for their services after the completion of the project, the city is willing to agree to such an arrangement.

This last provision is of particular significance to municipalities, for it indicates the high degree of unified control that is possible even where the city cannot, because of legal technicalities, actually borrow funds to construct lines. If the municipality is restricted only as to indebtedness and not as to

the extent of its utility services, there should ordinarily be little difficulty in concluding such arrangements as those in Wilkes County. Moreover, it will be noted that this project is so small that it could not be successful as a detached unit.

In Wilson County, North Carolina, something of the same problem arose out of a different set of conditions. The town of Wilson owns a combined steam and hydro generating system having a capacity slightly in excess of 9,000 kilowatts. During the year 1934-35, the peak load was 2,500 kilowatts. Believing that 4,500 kilowatts would amply allow for increased local consumption, the town officials saw an opportunity to dispose of the surplus through rural development. The Federal Emergency Relief Administration made detailed surveys of 146 miles suggested by the town, and actually constructed 11.2 miles of 6600 volt line. Prior to this time, Wilson had been operating 46 miles of rural lines with an average customer density of 5.4 per mile. By adding the desired 146 miles, the town felt that it could serve almost the entire county. An application was therefore filed with FERA for the construction of the project by federal grant.

FROM FERA TO REA

But it was just at this point that REA was established. The preliminary surveys for Wilson County were handed over to the new agency, and the town immediately took steps to meet REA requirements. It developed, however, that the town lacked the statutory authority to issue the necessary bonds to the REA, without first holding an election. The town then decided to sponsor the organization of a non-profit electric membership corporation which could legally contract for the loan. In all probability this coöperative will have its

lines serviced by the town, under contract.

Although this project has not been finally approved in every detail, it is a splendid example of what a municipal can achieve through determined effort. Wilson's project was originally launched as a relief venture under FERA. The termination of the activities of this agency presented the first difficulty. Convinced of the value of their project, the town officials submitted their application to REA on a loan basis. Certain legal difficulties then developed. In the face of a series of obstacles, Wilson has cheerfully shaped and reshaped the project. It is now in a fair way to be approved. With \$161,000 of REA money, approximately 130 miles of new lines will be built, which will carry electricity to 659 new consumers.

Some of the Ohio projects involving municipalities are also worth studying, for they show the wide opportunities available in states where the coöperative movement is highly organized. As in Indiana, numerous rural electrification developments in Ohio were sponsored by a state-wide organization, the Farm Bureau Rural Electrification Co-operative, Inc. Such a sponsoring organization helps the farmers to set up local coöperatives. It is to these local groups that REA makes its loans, and their relation to the state organization in no way impairs their direct obligation, as borrowers, to the federal government.

Like the mayor of Hawarden, Iowa, the chief engineer of the public utilities at Bellefontaine, Ohio, learned of REA's plans by a visit to Washington. Upon returning home, he discussed the possibilities of rural extensions with some of the farm leaders in Logan County. Before long a coöperative was organized, and under the engineer's direction a project was launched. Bellefontaine's municipal plant will be able to dispose

of surplus energy through a rural distribution system of 215 miles, serving 860 consumers. For the construction of these lines, REA has allotted to the Logan County Coöperative Power and Light Association, Inc., the sum of \$225,000. The coöperative itself will take care of the maintenance and operation of the new lines.

UNITY OF EFFORTS

In Shelby, Miami, and Champaign Counties, we have a group of projects which were originally set up independently of each other. Since all of them were to draw energy from the Piqua municipal plant, the state-wide coöperative suggested an arrangement whereby each county group might benefit from the proximity of the other two. Briefly, the state organization planned to purchase power at wholesale at the city limits of Piqua, then to resell it to the local groups without profit. In this way a more advantageous wholesale rate would be possible. But there were difficulties attendant upon such a plan—the evaluation of facilities used in common, for example. The three county coöperatives have consequently decided to reorganize, forming a single project for all three counties. Steps are now being taken to perfect the new organization.

For Shelby County, REA has made available \$350,000. This part of the project includes 270 miles of lines, serving 1,005 customers. In Miami County, 193 miles of rural lines will take electricity to 690 new consumers. This county's share, \$254,000, also includes the construction of a substation. Champaign County will receive \$595,000 for 440 miles of lines, bringing electricity to 1,925 rural families. The terms of the loans are, basically, the usual REA conditions of amortization over a twenty-year period at 3 per cent interest. The city of Piqua has agreed

to furnish wholesale current at 4,000 volts, and the coöperative will undertake the responsibility of servicing the new lines.

With the discussion of these Ohio projects, we conclude this brief study of municipal-REA relationships. They fall into three main groups: first, that in which the city handles the entire project itself; second, that in which the city furnishes the energy and services the lines; and third, that in which the city only supplies energy.

All of the examples here presented substantiate a few basic assumptions. One is that municipalities are finding it profitable to take a prominent part in the development of rural electrification. Another is that, in spite of obstacles at the outset, some means can be found for adjusting a project to local conditions. Furthermore, whatever the set-up, a gratifying uniformity of control and operation is possible.

To the municipality no less than to the farm consumer the benefits of such coöperative enterprise must be readily apparent. The farmer is aided because he receives electric service at a price he can afford to pay for it, without the necessity of making a large initial outlay for construction costs. Moreover, the rates have been so designed as to encourage the use of electric power for an increasing number of tasks around the farm, so that farming may truly be made more convenient and more productive. By making farm life easier and agriculture more profitable, electric service will render the entire rural area more prosperous. The resulting increase in the value of farm property is of benefit to the municipality.

Again, as has already been suggested, the addition of a rural load will prove beneficial to the municipal system, both by improving the load factor and by in-

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An Institute for Managers of Publicly Owned Utilities

An important and valuable service can be rendered by an organization which would prescribe representative and accepted standards of administration for municipal utilities

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THE publicly-owned utilities of America fall generally into two classes: first, those which are supported by general taxation, such as sewer systems, streets, and fire departments; and second, those which are paid for directly by the users, including water supply, electric power systems, municipal markets, toll bridges, and miscellaneous services. I have not at hand an estimate of the number of publicly-owned utilities which are supported by direct charges for the services rendered, but I should guess that there are not less than ten thousand in the country. A large number of these are administered by full-time, paid managers.

There is great variation in the competence, honesty, and economy with which these publicly-owned utilities are managed. In some cases, their management represents the highest order of efficient and economical administration; in some cases it is entangled and compromised in sordid and corrupt political manipulation.

Growth or decrease of public ownership and operation of public utilities in this country will depend in the long run not upon abstract theories about government but upon the record of economy and efficiency achieved by public ownership and operation as compared with private ownership and operation. There is room for great improvement in both

public and private operation of utilities. If some means can be developed for substantially raising and stabilizing the quality of administrative service in publicly-owned utilities, the effect on our public life will be very wholesome.

I believe it would be possible to bring about a very great improvement in the average quality of administration of publicly-owned utilities through the development of an "Institute for Managers of Publicly-Owned Utilities." A considerable number of these utilities have managers of a very high order. Those managers who represent non-partisan and non-political administration could organize themselves into such an institute and could develop a code for its membership. Such a code could provide general principles of accounting to prevent manipulation of accounts, and to supply the public with direct, intelligible statement of financial conditions. It could provide for the elimination of political appointments, and for the maintenance of the merit system in selecting and retaining personnel. It could prohibit political campaign subscriptions. In these and in other respects, representative and accepted standards of administration could be prescribed. Anyone failing to maintain these standards would be eliminated from membership in the institute.

If such an institute were established

and these standards were to prevail, the fact that any manager of a publicly-owned utility was not a member of this institute would at once raise questions in the public mind. If the manager should withdraw from the institute because its standards would not allow him to condone improper practices, the public would at once have notice of such practices. If he wanted to resist improper practices, the prestige of the institute would support him; whereas, at present, he may stand alone against a corrupt governing board. Such an institute would be a standardizing agency, and any publicly-owned utility which was not represented in the institute by its manager would at once be under public criticism. The general effect would be to provide a powerful support for managers in maintaining high standards of public administration and would be a great deterrent to politically-minded governing boards in any effort they might make to manipulate publicly-owned utilities for personal or political ends.

As an instance of how such discipline may operate, let me recount an incident told me by Dr. Edwin F. Gay, former dean of the Harvard Business School. Mr. Gay said that as a young man he had occasion to do business in Chicago with a railroad accountant. When their business was concluded, the accountant told him an interesting story. He said that a few years previously the lot of railroad auditors in the country was an unhappy one. If the manipulators of a railroad wished to make a fortunate showing in the financial world, the railroad president might call in his chief accountant and order him to change his accounts so as to show a good profit. If the accountant refused, he could be unceremoniously dismissed.

About that time the railroad accountants organized themselves into a na-

tional association and set up standards which had to be observed by all its members. Within a few years the prestige of the association was so great, according to the person telling the story, that no railroad president dared to demand his chief accountant to falsify the records. The man who told this story, according to Dean Gay, was Daniel F. Willard, who later became the great president of the Baltimore and Ohio Railroad.

AN ADMINISTRATIVE CLEARING HOUSE

There are other important and valuable services which could be rendered by an "Institute for Managers of Publicly-Owned Utilities." Regular meetings and a periodical could supply a clearing house for administrative methods. It would be highly important for such an institute to maintain a central advisory staff. It is very difficult today to find competent consultants for publicly-owned power systems, since most competent men in that field find their employment with the privately-owned utilities. A well developed, central advisory staff would consist of engineers, lawyers, accountants, and specialists in the field of publicly-owned utility management. These men, while employed by the institute, would be available to serve municipalities or other public organizations, especially those owning and administering utilities. The charges for their services should in time meet the cost of this central staff.

There is another great service which such a central staff might perform. Today when a municipality which is being served by a privately-owned utility finds it necessary to have a hearing before a state public utility commission, it is generally greatly handicapped by the lack of efficient technical advice, since nearly all the specialists are employed by the private-

ly-owned utilities. As a result, municipalities commonly make a very poor showing at such hearings. A central staff such as is here suggested would include specialists who would be available for employment by any municipality in the country in case of hearings before public utility commissions. In this way a body of competent advisers could be developed for the protection of the public interests.

Public ownership of essential utilities has many marked advantages. If patronage and politics can be taken out of administration and it can be brought to a high level, and if the best technical and professional methods can become the common property of publicly-owned utility management, it is probable that public ownership may be greatly extended. I repeat, however, that in the long run the American public will make its choice between public and private ownership of utilities by practical results and not by political theories. The extension of public ownership today is being delayed and hampered by the frequent occurrence of incompetence and mismanagement which in extreme cases may create a greater public burden than exploitation by privately-owned utilities.

COURSES IN UTILITY ADMINISTRATION

There is another service which might be performed by an institute for managers of publicly-owned utilities. For several years past I have hoped that Antioch College might be made the headquarters of such an advisory staff as I have described. The Antioch College program provides that each of its students shall spend about half time in academic work and the other half time in practical work in the field of the student's choice. Such an arrangement makes an ideal setting for a train-

ing school for managers of publicly-owned utilities. If the central advisory staff were located at the college, its members could give courses in the various phases of utility administration and of general municipal administration, such as accounting, engineering, and legal principles. Students specializing in this field would spend half their time at the college taking the theoretical courses, and the other half time in subordinate positions with publicly-owned utilities over the country after the manner of the Antioch program. Antioch students are now working with more than two hundred and fifty employers in about fifteen states. Two students hold one position and work in alternate shifts of five or ten weeks.

Under the program I have suggested, upper class students might work as assistants to auditors, engineers, and statisticians for appraisal of utilities. After a few years of such a program, a student could work for a year at a time in two or three utilities, chosen because of the competency and efficiency of their management. I believe that in this way there might be developed a body of young men, well trained under competent specialists and with excellently directed practical experience, who in time would become competent managers of publicly-owned utilities as that form of activity increases in our country.

Being associated with an institute for managers of publicly-owned utilities, what is now an unorganized number of public servants, working under the most diverse conditions from those which are excellent to those which are very bad, might become a recognized professional group of high quality utility managers who would bring great improvement both to the public and to the private operation of public utilities.

County Jail Financing in Kentucky

Despite statutory provisions, jailers report a variety of fees received for care of prisoners

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BROADLY speaking, the statutes define two classes of prisoners in Kentucky county jails. These are persons charged with a felony or contempt of court, commonly referred to as state prisoners since the cost of keeping them is borne by the state government; and those charged with some other offense, commonly known as county prisoners if the cost of their confinement is paid by the county, or as city prisoners if confined for violation of a city ordinance or a statute for violation of which the city receives the fine, in which case the cost of confinement is met by the city. The fee for keeping and dieting county and city prisoners is the same.

After the adoption of the present constitution in Kentucky, a general revision of the statutes was made. By act of the general assembly in 1893, the *per diem* fee for keeping and dieting state and county prisoners was fixed at \$.50 (*Acts*, 1893, c. 192, p. 857 and c. 226, p. 1141). In 1910 the general assembly increased the fee to \$.75 for all classes of prisoners, except for the limitation that "provisions of this act shall not apply to counties having within their boundaries a city of the third class" (*Acts*, 1910, c. 96, p. 274 and c. 61, p. 198). No explanation of the reason for excepting such counties is apparent from the act, nor has it been

possible to discover any reason. It appears, however, that the legislature desired to leave the fee for keeping state prisoners in counties containing a city of the third class at \$.50 a day, and, interestingly enough, there have been no cases on the point before the court of appeals.

In 1920 the general assembly increased the fee for keeping county prisoners from \$.75 to \$1.00 a day, but made no change in the state rate which was left at \$.75 (*Acts*, 1920, c. 137, p. 627). However, in 1930 the legislature did pass an act to increase the fee for keeping state prisoners to \$1.00 a day (*Acts*, 1930, c. 129, p. 398), but the new rate could not become effective under the constitution until the end of the term of the incumbent jailers at the end of 1933. The act of 1930 was so drawn as apparently to leave the old exception of counties containing a city of the third class still in effect, although there has still been no court of appeals decision on the point. A letter from the state auditor of public accounts, under date of May 9, 1934, states that the fee for dieting state prisoners is fixed at \$1.00 a day; and gives no inkling that a difference is recognized by the state as between counties containing a city of the third class and others.

In 1932, before the increased fee for

TABLE I
 VARIATIONS IN FEES REPORTED BY KENTUCKY JAILERS FOR KEEPING STATE, COUNTY,
 AND CITY PRISONERS: 1933 AND 1934

Class of prisoners	Legal fee	Per diem fee reported				None kept	Total
		50c	60c	75c	\$1.00		
1933—Number of Jailers Reporting:							
State	\$0.75	0	0	60	6	0	66
County	1.00	0	0	0	66	0	66
City	1.00	0	1	3	53	9	66
Percentage of Jailers Reporting:							
State	.75	0%	0%	90.9%	9.1%	0%	100.0%
County	1.00	0	0	0	100.0	0	100.0
City	1.00	0	1.5	4.5	80.3	13.7	100.0
1934—Number of Jailers Reporting:							
State	1.00	0	0	4	62	0	66
County	.75	0	0	63	3	0	66
City	.75	1	0	48	8	9	66
Percentage of Jailers Reporting:							
State	1.00	0%	0%	6.1%	93.9%	0%	100.0%
County	.75	0	0	95.5	4.5	0	100.0
City	.75	1.5	0	72.7	12.1	13.7	100.0

keeping state prisoners had gone into effect, the legislature passed an act reducing the fee for county prisoners from \$1.00 to \$.75 a day (*Acts*, 1932, c. 130, p. 634); however, the old rate of \$1.00 was left still in effect in counties containing a city of the first class.

Thus, under the legislative acts of 1930 and 1932, the fees for keeping state and county prisoners were exactly reversed upon the inauguration of the newly elected county jailers at the beginning of 1934.

Inquiries were sent in May 1934 to each county jailer in Kentucky, asking him to report separately for 1933 and 1934 the *per diem* fee received in his county for keeping and dieting each class of prisoners—state, county, city, and federal. Sixty-six of the hundred and twenty jailers in the state replied, and a tabulation of the answers (see Table I) discloses that the fees actually reported as being collected¹ are by no means uniformly in accord with the law.

¹Upon inquiry at the office of the state auditor of public accounts where bills for keeping state prisoners are audited before payment, it appeared that, although county jailers frequently submit erroneous bills under a misapprehension as to the proper fee to which they are entitled, such bills are corrected before being paid.

It appears that three of the jailers reporting were still collecting \$1.00 a day from their counties for keeping county prisoners, despite reduction of the legal fee to \$.75 at the beginning of 1934. Counties paying such excess fees are entitled to recover from the jailers.

Section 2228 of the *Kentucky Statutes*, Carroll's 1930 edition, provides that cities may use county jails by paying "the same fees allowed by the state." The court of appeals has consistently held that under this and section 1730 (which fixes fees specifically for keeping and dieting both county and city prisoners at the same rate) the jailer is entitled to the same fee for city prisoners as for county prisoners, that a contract to keep city prisoners at any other than the statutory rate is contrary to public policy and void, that a jailer can not estop himself from claiming full payment for keeping and dieting city prisoners, and that where part of such compensation was withheld under an illegal agreement he could recover (*City of Winchester v. Azbill*, 225 Ky. 389; *Mack v. City of Mayfield*, 239 Ky. 420). In view of these decisions, it is interesting that four jailers (Table I), or 6 per cent,

reported fees less than the statutory rate of \$1.00 for keeping city prisoners in 1933. For 1934, although the legal fee has been reduced to \$.75, eight jailers claimed to be getting more for city prisoners; and one agreed to keep city prisoners for \$.50 a day—half what was paid the previous year.

PER DIEM FEES: FEDERAL PRISONERS

The greatest variation occurs in the fees reported for keeping and dieting federal prisoners. Although the statutes give permission to the United States to use the jail of any county, no specific fee is set out for such use (*Kentucky Statutes*, sec. 2227). The courts, too, are rather vague on the point, since no case appears to have ever come up on the specific point of the proper fee to be charged for keeping and dieting federal prisoners. However, the court of appeals has handed down at least two decisions which appear to point the way to a proper interpretation of the law with regard to federal prisoners. In the case of *City of Winchester v. Azbill*, the court said:

It is a general rule that an agreement by an officer to accept less than the fixed salary of an office to which he is elected or appointed for his compensation is void, as against public policy.

The reason for this rule is especially apparent in the case of jailers. One of the important duties of the jailer is to properly care for and diet prisoners committed to his care and the fees allowed him are an incentive to the faithful performance of such duty. If he should be permitted to contract with a city to keep and diet its prisoners at a rate less than that fixed for state and county prisoners, the temptation would be present to less faithfully perform this duty as to all the prisoners, and thus defeat the purpose of the legislature in fixing the fees at a stated sum. . . . The legislature undoubtedly had such a contingency in view when sections 2227 and 2228 of the Kentucky Statutes were enacted. Section 2227 reads in part: "The United States shall have the right to use the jail of any county by paying the jailer the same fees, allowed by the laws of this state."

Section 2228 reads: "Any city or town shall have the right to use the jail of the

county in which it is situated by paying the jailer the same fees allowed by the state. . . ."

Also the case of *Holland, Jailer, v. Fayette County*, 240 Ky. 37, when read in the light of the statutes just referred to, seems to bear out the conclusion that the Kentucky general assembly intended that the fee for keeping federal prisoners in county jails of the state should be the same as that allowed for city and county prisoners.

The United States marshals for the eastern and western districts of Kentucky, located at Covington and Louisville respectively, act as agents for the federal government and take care of bills for keeping federal prisoners submitted by county jailers of the state. A letter was sent to each of these marshals asking them "what fee is allowed Kentucky county jailers for keeping federal prisoners, the basis for determining such fees, and any variations as between specific counties, if such variations exist in the fees allowed." The marshal for the eastern district replied simply that "the government pays a fee of \$.75 per day to the jailers of this federal district for keeping federal prisoners."

The marshal for the western district replied more fully. He stated with regard to the fee for keeping federal prisoners that:

The state of Kentucky provides a per diem of seventy-five cents per day, and they are adhering close to the rule in the western part of the state, so it leaves us in a position to either comply with their wishes or do without the use of their jails.

The government, as a rule, grades those jails and writes the contracts on a per diem base according to the service rendered, but with the enactment of this Kentucky law regulating those fees, it leaves us up to the mercy of the jailer as to whether they will hold rigid to the fees set by the state or make a better bid for the business.

Later this marshal said that he did not know of any national statutory fee

for jail service and that he had not been provided with any set rule by either the state or the federal government. He said, further, that the department of justice has inspectors who examine the various jails of the country and classify them as to fees for keeping federal prisoners on the basis of what they think the service is worth, and added:

Some of these jails are based as low as 50c and run from that up to 75c per day, and it is the desire of the department of justice to contract on the basis of the merit of the jails.

Some time in December of last year the jailers throughout Kentucky had a meeting in which they all agreed not to accept federal prisoners for less than 75c per day, and since that understanding with the various jailers, we have not been able to contract with any of them for less than that amount.

From these remarks by the United States marshal and from data available as to actual fees received by the various county jailers, it is apparent that the fixing of fees for keeping federal prisoners in Kentucky depends upon a bargaining process. It seems rather clearly apparent also that the contracts between the department of justice and the county jailers for keeping prisoners at rates less than the fee fixed by statute are without legal sanction.

The replies of jailers with regard to fees for keeping and dieting federal prisoners in county jails of Kentucky are shown in Table II.

OTHER FEES

In addition to fees for keeping and dieting prisoners, county jailers in Kentucky have other sources of income—some of them quite lucrative in certain counties. Since the adoption of the present constitution in 1891, a fee of \$.60 has been allowed for imprisoning and releasing any prisoner.

Since 1891, also, jailers have been allowed a fee of \$2.00 for each day they attend circuit, county, or quarterly court (*Kentucky Statutes*, secs. 356, 1730). This fee has been interpreted by the court as covering such services as producing, guarding, and returning prisoners, and fulfilling other duties as an officer of the court. From detailed investigation of the financial affairs of some twenty counties, specific instances have been observed where the jailer is allowed \$2.00 per day also for attending meetings of the fiscal court, though no such fee appears to be authorized by the statutes. The jailer is not *required* by law to attend these various courts, but compensation is authorized in case he does choose to be present. The logical reason for paying both the jailer and the sheriff for rendering practically identical services to the courts is not apparent. The sheriff has no option in the matter; he is required to attend by section 4587, *Kentucky Statutes*.

TABLE II
VARIATIONS IN FEES FOR KEEPING FEDERAL PRISONERS REPORTED BY KENTUCKY JAILERS

Per diem fee received for keeping federal prisoners	Number of jailers reporting each rate			
	Year 1933		Year 1934	
	Number	Per cent	Number	Per cent
\$0.60	16	24.3	17	25.8
.65	1	1.5	1	1.5
.75	22	33.3	22	33.3
1.00	3	4.5	1	1.5
None kept	24	36.4	25	37.9
Total	66	100.0	66	100.0

It would seem that the only possible occasion when the services of the jailer might be really required in addition to those of the sheriff would be in the case of a criminal trial where a prisoner must be brought before the court and guarded during trial.

FEES FOR FUEL, LIGHT, AND WATER

A lucrative—and in most counties, unjustifiable—source of revenue to county jailers is the fee of \$2.00 a day allowed for furnishing fuel, light, and water to circuit, county, and quarterly courts (*Kentucky Statutes*, secs. 356 (4), 1730). This fee, along with its companion fee for attending court discussed above, has come down from the earliest history of the commonwealth and has been left unchanged in amount since 1873. In 1932, the state auditor of public accounts denied that jailers were entitled to a sum not exceeding \$2.00 a day for furnishing fuel, light, and water to circuit courts regardless of whether they had paid for the supplies and of the fact that the courtrooms were warmed by a furnace heating the entire building, and refused to pay any claims for such alleged services. Thereupon, a suit was filed on behalf of the jailers seeking to determine their rights; and the court of appeals handed down a decision on March 14, 1933, in the case of *Talbott, Auditor of Public Accounts v. Caudill et al.*, 248 Ky. 146. The court held that the jailer is entitled to a reasonable fee—which automatically means, in actual practice, \$2.00 a day—if he does anything at all toward making heat, light, or water available to the circuit court.²

²Besides rural counties in which the jailer actually does furnish fuel, light and water to the courts when in session, only one case has been observed in which the jailer really earns the fee allowed by this statute. In McCracken County the courthouse is heated by steam, lighted by electricity, and supplied with water from the city system; and a janitor is provided by the fiscal court to clean and take

EXPENSES ALLOWABLE AS DEDUCTIONS

Section 246 of the constitution of Kentucky provides that no public official of the state, except the governor, shall be allowed to retain more than \$5,000 a year as personal compensation above the compensation of legally authorized deputies and assistants. Although the statutes are somewhat vague on the point, the principle has been well established in the courts that a jailer may be required by his fiscal court to render a full and complete report of all fees and other perquisites received on account of his office and the expenses pertaining thereto and that he may be required to refund to the county any earnings in excess of the constitutional limit of \$5,000 (*Holland, Jailer, v. Fayette County*, 240 Ky. 37; *Boyd County v. Boyd Fiscal Court*, 247 Ky. 183; *Breathitt County v. Cockrell, Jailer*, 250 Ky. 743). The statutes are practically silent when it comes to the question of what items may be allowed as deductible expenses in ascertaining the earnings of jailers, and few cases in point have come before the courts. In the case of *Taylor, County Jailer, v. Todd*, 241 Ky. 605, the court held that no allowance could properly be made to the jailer in his settlement for the employment of a matron or a bookkeeper; however, the jailer could, with the approval of the county court, appoint a properly qualified deputy or deputies and pay reasonable compensation for such services.

care of the building. However, the janitor refuses to perform or render any services in the vicinity of the circuit court room and the judge's office, jury rooms, and halls in connection therewith. The jailer supplies janitor service for that section of the courthouse, and he is required to furnish his own brooms, sanitary supplies, etc., necessary to keep that part of the building clean and in order. The McCracken county jailer complains that he has to spend more for extra labor and supplies to take care of the circuit court rooms than he receives in fees for rendering that service.

A more specific case, relating to the allowable expenses of *sheriffs*, was decided (1925) in *Commonwealth, for Use, etc. v. Nunnelley*, 211 Ky. 409. In this case, the court held that the reasonableness of both the number of deputies employed by the sheriff and their compensation might be questioned and determined by the court. With regard to other expenses, the court held that in view of section 1840, *Kentucky Statutes*, and in the absence of specific statutory authority, the following items were not properly allowable as expenses in determining the excess earnings of the sheriff: premiums on official bond, \$429.00; expenses of deputies in making arrests, \$100.00; post office box rent, \$9.00; advertising, \$250.00; expenses of automobile, \$1,100.00; stamps, stationery and books, \$75.00; taking up and destroying dogs, \$200.00; and incidentals, \$500.00.

	1930	1931	1932	1933
Stationery and supplies.....	\$150.00	\$150.00	\$150.00	\$100.00
Auto upkeep, repairs, gas and oil, tires....	300.00	500.00	400.00	_____
Automobile	500.00	400.00	_____	_____
Bond premium	15.00	15.00	15.00	15.00
Extra help at jail and courthouse	_____	150.00	150.00	150.00
Total	\$965.00	\$1,215.00	\$715.00	\$265.00

On the basis of the decision of the court rendered in the cases of *Taylor, County Jailer, v. Todd and Commonwealth, for Use, etc. v. Nunnelley*, it appears to be a reasonable assumption that the jailer was not entitled to credit in his settlement for the items listed above as expenses, and that McCracken County can recover a total of \$2,895.00 covering the years 1930, 1931, and 1932. The items which appear to have been illegally allowed as expenses in 1933 (amounting to \$265.00) are not important since the jailer lacked \$1,725 of making his possible \$5,000 that year anyhow.

Two things should be borne in mind in connection with the earnings of jailers in Kentucky. In the first place, de-

Of the twenty counties which have been investigated, detailed reports of the receipts and expenses of sheriffs and jailers have been filed only in McCracken County during the last four years. The sheriff there reported his earnings only for the one year, 1930. Among other things, he was allowed to deduct as expenses the following items in calculating his earnings: expense of automobiles, \$3,000.00; office expenses, \$1,000.00; and attorneys' fees, \$400.00. In view of the decision in the case discussed above, it would seem that all of these items amounting to \$4,400.00 were illegally allowed and may be recovered by the county.

The jailer of McCracken County filed a report of his earnings for every year from 1930 to 1933 inclusive. The following items, among others, were allowed as deductible expenses in calculating his excess earnings each year:

tailed reports of receipts and expenses are not submitted in most counties. In the second place, such reports as are made are often either too much condensed in form to be of much value, or else the detailed figures are so obviously padded as to be practically worthless. It will be noticed that in the McCracken County reports mentioned above nearly all the expense figures are round numbers — usually multiples of \$50 — and in his 1930 report the sheriff listed an item of \$1,000 designated simply as "other receipts." Also, the expense items show a strange tendency to fluctuate up or down, or even to disappear altogether, as the receipts go up or down.

APPENDIX

KENTUCKY COUNTIES WHICH REPORTED PER DIEM JAILER'S FEES OUT OF LINE WITH STATUTORY OR STANDARD RATES (Fees out of line in *italics*)

<i>County and County Seat</i>	<i>1934 Rates</i>				<i>1933 Rates</i>			
	<i>County</i>	<i>City</i>	<i>State</i>	<i>Federal</i>	<i>County</i>	<i>City</i>	<i>State</i>	<i>Federal</i>
Adair—Columbia	\$.75	\$.75	\$1.00	\$.75	\$1.00	\$1.00	\$1.00	\$1.00
Anderson—Lawrenceburg	.75	.75	1.00	.60	1.00	.75	.75	.60
Ballard—Wickliffe	.75	.75	1.00	1.00	1.00	1.00	.75	.75
Boone—Burlington	1.00	none	1.00	none	1.00	none	.75	none
Boyd—Catlettsburg	.75	none	1.00	.60	1.00	none	.75	.60
Bracken—Brooksville	.75	.75	1.00	.65	1.00	1.00	1.00	.65
Breathitt—Jackson	.75	1.00	1.00	.60	1.00	1.00	.75	.60
Butler—Morgantown	.75	.75	.75	.75	1.00	1.00	.75	.75
Campbell—Alexandria	.75	.75	.75	.60	1.00	1.00	1.00	.75
Carter—Grayson	.75	.75	.75	.60	1.00	1.00	.75	.60
Christian—Hopkinsville	.75	1.00	1.00	.75	1.00	.60	.75	.60
Daviess—Owensboro	.75	.75	1.00	.75	1.00	1.00	.75	.60
Estill—Irvine	.75	.75	1.00	.60	1.00	1.00	.75	.60
Fayette—Lexington	.75	none	1.00	.75	1.00	none	.75	.60
Floyd—Prestonsburg	.75	.75	1.00	.60	1.00	1.00	.75	.75
Garrard—Lancaster	.75	.75	1.00	.60	1.00	1.00	.75	.60
Greenup—Greenup	.75	.50	1.00	none	1.00	1.00	.75	none
Hardin—Elizabethtown	.75	.75	1.00	none	1.00	.75	.75	none
Harlan—Harlan	.75	.75	1.00	.60	1.00	1.00	.75	.60
Jefferson—Louisville	1.00	1.00	1.00	.75	1.00	1.00	1.00	.75
Knox—Barbourville	.75	1.00	1.00	.60	1.00	1.00	.75	.60
Larue—Hodgenville	.75	1.00	1.00	.75	1.00	1.00	.75	.75
Leslie—Hyden	.75	none	1.00	.75	1.00	none	1.00	.75
Madison—Richmond	.75	1.00	1.00	.60	1.00	1.00	.75	.60
Magoffin—Salyersville	.75	.75	1.00	.75	1.00	1.00	.75	1.00
Marion—Lebanon	1.00	none	1.00	none	1.00	none	.75	none
Martin—Inez	.75	.75	.75	none	1.00	1.00	.75	none
McCracken—Paducah	.75	none	1.00	.75	1.00	none	.75	.60
McCreary—Whitley City	.75	none	1.00	.60	1.00	none	.75	.75
McLean—Calhoun	1.00	.75	1.00	none	1.00	1.00	.75	none
Menifee—Frenchburg	.75	none	1.00	.60	1.00	none	.75	.60
Muhlenberg—Greenville	.75	1.00	1.00	.75	1.00	1.00	.75	.75
Owsley—Booneville	.75	none	1.00	.60	1.00	none	.75	.60
Powell—Stanton	.75	1.00	1.00	.60	1.00	1.00	1.00	1.00
Rockcastle—Mt. Vernon	.75	.75	1.00	.60	1.00	1.00	.75	.60
Rowan—Morehead	.75	1.00	1.00	.60	1.00	1.00	.75	.75
Shelby—Shelbyville	.75	.75	1.00	none	1.00	.75	.75	none

Effective Citizenship Training

Students at University of Toledo are using the laboratory method to learn "the great game of politics," participating actively in local political campaigns

O. GARFIELD JONES

University of Toledo

IN 1919 a course was started at the University of Toledo with the specific objective of training for effective municipal citizenship. This first class included a successful ward leader of the Toledo Republican organization and also the secretary of the Toledo Commission of Publicity and Efficiency. The class discussions revealed the tremendous gap between the thinking of these two experienced men and that of the younger members of the class. Since these two men of experience were not the best text students nor possessed of the highest I.Q., the difference in practical clarity of thought was obviously due to their greater contact with the realities of politics and administration. From this first year's experience in teaching this course the instructor arrived at the firm conviction that a college course in citizenship training needs the assistance of the laboratory method just as much as a beginning course in chemistry, biology, or physics in order to establish this minimum of political science instruction upon the bed-rock of reality.

All instruction is either by the authoritarian or by the laboratory method. The authoritarian method is rapid and quite economical of time, energy, and money since it consists of telling the student about structure and function either by oral lectures, by written lec-

tures in the form of texts, by demonstration, or by problems where the answer to the problem is based on authority. The limitation of this method is the inevitable limitation of words as a synthetic substitute for experience.

The laboratory method consists of the student's own first hand experience in a real, not a pseudo-real situation. Its merit is that it is genuine, actual, and at its best gives the student real insight into social phenomena first, because the student sees directly instead of through the colored glasses of the teacher or text writer; second, because the student feels immediately instead of through the delayed and distorted medium of the teacher's nervous system. The laboratory method tends to destroy preconceived notions by virtue of its fundamental validity. Its limitation is that it is slow, frequently quite expensive both in money and energy, and, if not properly directed, may increase prejudice and create misconceptions because of the student's inability to distinguish between the accidental and the typical. This latter, however, is only another way of saying that laboratory work must be well supervised if it is to serve educational purposes.

We have attempted to test the influence of our effective citizenship course on the political behavior of our alumni.

In 1927 a questionnaire was sent to the alumni who had been out of college from three to nine years. Some of these students had been away at professional schools for two, three, or four years of this period, and there were other reasons why these data are not as conclusive as might be desired. With these reservations the voting statistics are given for what they may be worth.

Per cent of alumni who voted in elections and primaries			
	November Election	State Primary	Municipal Primary
Pharmics	71%	52%	43%
Engineers	65%	45%	49%
(Did not have citizenship course)			
Arts and Education	75%	59%	59%
(Did have citizenship course)			

Note—At present all students in all the colleges at the University of Toledo are required to take the Effective Citizenship course; two hours a week for one year.

Up to the present men tend to vote more than women in the United States (and in Toledo), and since the pharmics and engineers are nearly all men these statistics are more comparable if the voting of the pharmics and engineers is compared with the voting of the men from the colleges of arts and education.

	November Election	State Primary	Municipal Primary
Pharmics	71%	52%	43%
Engineers	65%	45%	49%
Arts and Education men	76%	69%	63%

Although the women who had this effective citizenship training voted only 44 per cent of the time in the state primary as compared with 69 per cent for the men, these women with this citizenship training made a much better showing than women in general in the better wards of Toledo where a specific

check showed that less than 20 per cent of the registered women voters actually voted in the state primary of 1928.

Another bit of illuminating data from these alumni questionnaires had to do with the alumni's own evaluation of the four different phases of this effective citizenship course. The particular question read, "What part of the course have you found to be most beneficial to you since leaving college?"

The preferences indicated were as follows:

A. Text work (on municipal government)	57
B. Group leadership training (parliamentary procedure)	54 ¹
C. Laboratory work in politics (precinct report)	30
D. Laboratory work in administration	19
E. Toledo's political history (four recitations only)	17

CAMPAIGN FOR UNIVERSITY FUNDS

In July, 1928, the board of trustees of the University of Toledo asked the citizens of the community to approve a bond issue of \$2,850,000 with which to buy a new campus and new buildings. By charter requirement this had to go on the November ballot. In August the alumni under the leadership of their president, Mr. Virgil Sheppard, began a ward organization for this campaign. When school opened in September the student body was included in the organization. Dean MacKinnon worked nights getting out precinct and block lists of all the present and former students. Precinct maps were mounted on cards for each precinct captain. The general staff, consisting of President

¹It was the high appraisal of this group leadership work by these alumni that encouraged the instructor to write his group leadership manuals during the next two years. (Junior Manual, Senior Manual, and Parliamentary Procedure at a Glance. D. Appleton, Century Co., 1933-1934.)

Doermann, Virgil Sheppard, and the writer, attended all the ward meetings.

Two weeks before election a house-to-house canvass was made in some three hundred precincts by the students under the leadership of alumni captains. A large city map in university hall was marked off in red by blocks as each block was polled. The students proved to be excellent campaigners, meeting arguments on the field of battle as ably as the most experienced political workers. Just one brief folder of information was used to show the need for new campus and buildings and to indicate the proposed allocation of funds for campus, buildings, and equipment.

On election day there were two workers at every voting booth except in three wards where the vote has always been against bond issues of any kind. Intensive work in such hostile areas serves only to remind hostile voters to vote against your proposal. Each worker had marked ballots to give the voter to serve as a guide in marking the official ballot. Students, alumni, and faculty were all on duty before the day was over. The state law requires a 55 per cent majority for such bond issues: the final returns showed a 57 per cent vote for the university bond issue in spite of the fact that one ward went three and a half to one against it and another went three to one against it.

WORK FOR NEW CITY CHARTER

In 1927 the voters elected a city charter commission to draft a city manager charter for Toledo. This charter came before the voters in 1928 for approval. It provided for a city manager and a council of nine elected by the Hare system of proportional representation. The charter was defeated primarily because the voters were not sufficiently dissatisfied with the existing form of govern-

ment to make the change. Because so many people thought the 1928 city manager charter would have been adopted had it not had the P. R. provisions, a city manager amendment was put on the municipal ballot in 1931 with provisions for a council of nine, four to be elected at large and five by districts. This amendment was defeated more decisively than the 1928 charter.

By January 1934 the city of Toledo was in such a bad financial situation that there was wide-spread dissatisfaction with the existing form of city government—a highly centralized administration under an elective chief executive and a council of twenty-one elected by wards. Although the bad situation was due quite as much to bank failures, closing down of the largest industry, the Willys-Overland plant, and to a large reduction in the tax duplicate accompanied by much tax delinquency, the feeling was quite general that if Cincinnati could do so well during the depression under a city manager government Toledo could at least better its condition under such a modernized system.

In the fall of 1933 the *Toledo Blade*, the *News-Bee* and the *Times* took the lead in advocating a city manager amendment. Early in 1934 a group of citizens under the leadership of C. F. Weiler, president of the Toledo Commission of Publicity and Efficiency, got together and drafted a charter amendment providing for a city manager with a council of nine elected at large by proportional representation. This was essentially the same as the Cincinnati charter and also essentially the same as the P. R. charter defeated in 1928.

A CLASS MEMORIAL

At the senior banquet the last week in May the senior class at the University of Toledo voted as a class memo-

rial to help get signatures to place the city manager amendment on the November ballot. They had no funds for the more obvious types of class memorial but they had knowledge of forms of government, they had the urge to be effective citizens, and they had ample time just ahead because pay jobs were so scarce for the summer. At the alumni banquet the Friday night before commencement the writer of this article issued a challenge to the alumni to work for a "New Toledo" in 1934 just as they had worked for a "New University" in 1928. Since the city manager amendment initiative petitions were not ready until after commencement, the senior class had joined the general body of the alumni before the alumni started their ward organization for the petitions campaign.

The paid staff for the petitions campaign consisted of a former newspaper man, a woman active in the League of Women Voters, and two university girls. The statistics on signatures secured in this petitions campaign, June to September first, are as follows:

Number of signers	21,644
Number of persons who circulated and returned petitions	342
Alumni and students who circulated and returned petitions	174
High school students who circulated and returned petitions	6
Signatures obtained by Toledo University group	12,566
Alumni other than class of 1934	2,261
Class of 1934	2,369
Undergraduate students	7,530
High school students	406

This city manager-P. R. amendment carried in the November election by a vote of 33,229 to 28,014, a majority of 54.4 per cent.

The citizenship course at the University of Toledo attempts to teach only the two fundamental political processes, politics and administration. Politics,

however, includes two somewhat different processes, namely, policy determination at the ballot box and policy determination in a deliberative assembly. This latter process involves the use of the parliamentary procedure technique. For the study of this process the class itself serves as the deliberative assembly laboratory.

In May each year each class is organized as a charter convention in order to integrate the various phases of the course into a composite technique for effective citizenship. Up to 1934 these conventions were always city charter conventions since the institution through which they study these political processes is the city of Toledo. (Precinct political behavior is essentially the same in all elections.) In May of 1935, the nine citizenship classes were organized as nine county charter conventions both because a new city charter had just been adopted and not yet given a trial, and because a county charter commission elected the previous November was at work drafting a home rule charter for Lucas County.

Although the students did not have much background knowledge of county government (they had been studying city government) they showed a more vital interest than usual in these county charter conventions. In the first place this county charter drafting was a job of pioneering in virgin soil so far as Ohio is concerned; secondly, the daily press was giving extensive publicity to county charter proposals; and thirdly, the excellent report of the governor's commission on county reorganization in Ohio went a long way toward supplying the background of county government needed by the student drafters.

The two regular instructors for these citizenship courses were quite involved in the campaign for the reorganization of county government since one of them

was an elected member of the Lucas County Charter Commission while the other was the hired draftsman of the commission. This tie-up with the immediate campaign is probably too close for the most satisfactory conduct of a citizenship course. After all, there is some fundamental truth in Shaw's ironic remark that "those who can do things do them, those who can't, teach them." An instructor should have some (but not too much) personal detachment from the day-by-day clashes over public policy. A university is fundamentally an educational institution, not a political organization.

The highest compliment paid to this effective citizenship course was from an experienced teacher of high school history who has served his commonwealth in both the lower and upper chambers of the Ohio legislature. He said one day, "Professor, you are teaching representative government instead of merely teaching about it."

Charles A. Beard says, "Statecraft is by nature a form of action directed to ends." By this same token citizenship training should be at least the irreduc-

ible minimum of training for "action directed to political ends." Three minimum essentials for such a citizenship course should be: first, to develop the urge to be effective members of the body politic; second, to achieve a basic insight into the politics and administration of a particular time and place; and third, to receive some training in the basic techniques for being effective in group activities.

MUNICIPALITIES AND R. E. A.

(Continued from Page 267)

creasing the ratio of gross income to capital investment.

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"The preeminent task of management through all the various channels of production is the direction of activities of human beings."—
Oliver Sheldon

Personnel: The Executive's Responsibility

WILLIAM E. MOSHER

Director, School of Citizenship and Public Affairs, Syracuse University

THIS paper aims to make a contribution to the developing science of public management. It springs from the conviction that there is no more promising field for municipal progress than that of raising standards of personnel efficiency, and further, that no problem of comparable importance has been so consistently overlooked by those interested in improving public administration.

The explanation of this neglect is that no major administrative problem is so difficult of solution and none whose solution calls for such a downright break with established practice. But when it is considered that nearly one-half of all municipal expenditures take the form of pay checks, it is clear that an intelligent and constructive attack on the personnel problem will amply repay the effort.

Whatever individual factors may enter into a forward-looking program for public employees, the writer is convinced that if a single factor is more essential than any other it is the personal and continuous participation of the chief executive in personnel management. Without positive leadership and ever ready support on his part progress along personnel lines will be but haphazard and probably transitory.

Let the progressive business executive serve the governmental executive as a guide. The former no longer takes employment conditions for granted nor does

he depute responsibility for them to a subordinate staff member. He rather accepts "man-management," as it has been termed, as an integral part of the task of management and one worthy of his own constant attention and thought. Motives, incentives, and interest of the working force are becoming part and parcel of his everyday thinking. They are no longer symbols of vague and shadowy things. They stand for something intangible but no less real. Only recently morale, a thing of the spirit, was foreign to the executive's vocabulary and thought, while today he counts it among his most precious business assets.

Of this development public officials have unfortunately taken but little account. There is, for example, no definition of the duties of mayor or governor known to the writer that lists staff and personnel management as a prime task of such executives. Nor are there records of the administration of individual public executives, which would warrant the conclusion that this has been considered a task worthy of the direct and sustained attention of the highest official.

Such indifference has not been due to the fact that personnel conditions in the public service have been satisfactory. Quite the contrary is known to be the case. When Franklin K. Lane withdrew from the headship of the Interior Department he issued the statement that

might well have gone forth as a challenge to the great body of public executives. The gist of the indictment is found in the following sentence:

Everyone seems to be afraid of every one [in the government service]. The self-protective sense is developed abnormally, the creative sense atrophies. Trust, confidence, enthusiasm—these simple virtues of all great business—are the ones most lacking in government organization.

The qualities conspicuous for their absence in the public service are the accepted goal of a small but growing group of managers in private enterprise. It is this same group which have come to believe that personnel management cannot be deputed to subordinates but must be under the control and supervision of the highest official. It is manifestly easier to bring this about under the conditions of private than of public business.

The factors more or less peculiar to the public service are six in number. They are: (1) limited tenure of office of executive and his staff of departmental heads, (2) comparative security of tenure of subordinates and rank and file, (3) distribution of responsibility between administrators and the civil service commission, (4) relatively inferior quality of recruits due to unsatisfactory reputation of the "civil service" as a career, (5) more or less extensive area of operation of personal and political influences, and (6) absence of a common motive. When taken altogether these factors have operated to bring about what may be called "the civil service tradition." A brief analysis follows:

A SHIFTING BODY OF DEPARTMENTAL HEADS

One of the peculiarities of American government as compared with foreign countries is our readiness to commit far-reaching and intricate problems of man-

agement to men of no previous practical experience in the field concerned. In both city and state it is customary to replace important officials in charge of operation when the political tide turns. This reference is not so much to officials responsible for determining policy, who properly come and go with changes in administration, as to those charged with execution of policy.

A striking illustration was brought to the attention of the public not long ago when an enterprising reporter compiled a list of eight hundred positions carrying an aggregate annual salary of \$1,000,000, which were to be filled by the incoming chief executive of one of our largest states. This list included, it is true, a limited number of policy-determining positions, but it consisted also of administrative positions of a more or less technical character as well as many subordinate ones which by no stretch of the imagination could be called policy-determining. It should be added that the state in question has long operated under a civil service law and that the customary percentage of the positions on the payrolls are under civil service protection. Furthermore, the governor in question has good standards and would not be called even by his opponents a "spoils governor." He is simply following the established custom.

The losses resulting from this practice are many. From the viewpoint of personnel control it is particularly disastrous for the development of leadership which is one of the prime requirements of modern management. For it is evident that if the administrative heads are "birds of passage" they cannot gain such a grasp of the work of their organization as sound leadership demands. It may be taken for granted that the superior official cannot command the respect and confidence of his staff unless he also has a superior command of the staff's job.

There is, further, probably no single

factor that contributes so much toward the perpetuation of established routine and the consequent suppression of interest and initiative among the permanent workers of the staff as the lack of qualities of leadership and initiative on the part of the changing departmental heads. The proverbial tenacity of governmental "red tape" is therefore to be charged in part at least to this account.

These results of the customary practice of changing operating heads with a change of administration greatly complicate the problem of developing a constructive and progressive personnel program. It seems obvious that no one less than the chief executive himself can grapple with this problem with any hope of success. His will be the function of launching the policy and then stimulating the members of his staff to carry it out in their several departments.

TENURE OF RANK AND FILE

In marked contrast to the high turnover among the upper officials is the security of tenure among the rank and file of civil service employees due to the protection afforded by civil service laws. To not a few public office is a sinecure. Security of tenure goes far toward explaining the "government stroke," as civil service efficiency is picturesquely described in England. It also explains the not uncommon lament of the public supervisory official that "he cannot do anything because of civil service." He may have the ultimate power of discharge so far as the law goes, but as the record of removals during or after the probationary period shows he is not accustomed to use it.

A British writer has well observed that human beings are so constituted that they cannot be held at their best without the more or less constant application of some stimulus. Among the most potent stimuli to effort he names hope and fear. In dealing with the problems of a government office in which

he had some experience during the war, he states that these two stimuli are conspicuous for their absence. This observation is not inapplicable to the municipal conditions in this country. Annual reports showing the number of dismissals and suspensions in any given city indicate that security of tenure is not merely a phrase. Neither are salary increases and promotions ordinarily so handled that they inspire hope or fear.

CIVIL SERVICE COMMISSION

A third factor that has contributed to bring about the existing "civil service tradition" is met with in most of the large cities of the country in the form of the civil service commission as the employment agency of government.¹

In our attempt to analyze and evaluate the factors that have brought about the "civil service tradition" we are bound to point out that the problem of management has been greatly complicated by the existence of this semi-external and so-called nonpartisan employment agency. The assignment of checking power to the civil service commission has caused a division of control in the personnel field that has proved to be harmful. Lack of contact and coöperation with operating heads is far from being the exception that proves the rule. Indeed, it is not unusual to find that the attitude of the latter toward the former is one of toleration, and not infrequently one of outspoken intolerance.

Evidence of this came to my attention not long ago when a friend and advocate of the civil service commission and one widely acquainted with its operations expressed himself in the following manner: "Department heads coöperate with them [successful civil service administrators] because they have to, not because they want to, and the instant their

¹Fifty-four of the sixty-eight cities of 100,000 and more inhabitants have civil service control in one or more branches of the service.

firm hand is removed most department heads will largely or entirely cease to coöperate."

The writer considers these sentiments to be an extreme statement. He believes that numerous cases may be cited where there has been fairly close co-operation between commission and administrative officers, but must concede that this has been due in many instances to the fact that the commission is aiming to accomplish what the executives wish and thus ceases to perform even the protective functions with which it is charged.²

In a few noteworthy instances, however, there has been developed that wholesome coöperation that is a condition *sine qua non* of successful personnel administration. What is significant for our thesis is that analysis shows that in most of these cases the commission has had the sustained backing of the chief executive. The following instances may be cited: Chicago between 1905-1915, Milwaukee, Wisconsin, Los Angeles County, and the state of Maryland. This coincides with the opinion of a former chief examiner of Philadelphia who wrote that, "one of the most prominent facts in civil service administration so far is that its efficiency has depended so largely upon the attitude of the executive in power or perhaps his party."

Where there has not been such backing the lack of contact and thus coöperation between commission and administration has been the order of the day. This explains why many important personnel functions have fallen between two stools as it were.

The conclusion is justified that the assignment of the personnel function of

management to a non-professional and presumably non-partisan employment agency greatly complicates the personnel situation, and constitutes an essential part of the problem involved in the "civil service tradition."

RECRUITING PROBLEM

The fourth factor is negative in character, but it forms an important element in the challenge of our problem. It has to do with the quality of the recruits which in the long run so vitally affects the quality of the service. The fact of the matter is that our country is unique among the enlightened countries of the globe that so little honor, distinction, and satisfaction attach to public service. With us the government does not offer a satisfactory career. It is not known as a good employer. This opinion will be confirmed by consulting vocational advisors in the public schools as well as in the college and university appointment offices. As a result only a few of our high grade young men and women enter the public service. The chances are that even they "happen" into it, rather than that they consciously plan for it. It is not recognized as a career in those circles from which the best recruits are drawn, and from which the government should draw its fair share of young people.

There is no graver problem in this whole field and, unfortunately, none to which so little consideration is being given. To solve it calls for the gradual upbuilding of a public sentiment favorable to governmental work. This can be brought about only by making thorough-going changes in the employment policy and its execution. If such changes are to be effective they must be initiated and stimulated by no one less than the chief executive.

POLITICAL INFLUENCES

The next factor lies behind all of the others. It has been the most potent

²Henry T. Hunt, formerly mayor of Cincinnati: "Civil service commissions, speaking broadly and generally, have come within control of executive officers and are decidedly lethargic with regard to their protective functions."

of all. In many jurisdictions it still is the most potent of all. I refer to political and personal influences. According to Lord Bryce, "There is no great democracy of the world in which politics so influence administration as in the United States." If we appeal to our customary arbiter in matters of this sort, i.e., the average man in the street, we will find that he is of the opinion that politics lies back of all public administration and he is likely to accept this condition as inevitable. He would advise no one to enter public service unless he had a political pull. No diagnosis of the civil service tradition would be adequate that failed to take account of the pervading influence of partisan and personal politics. In varying degrees it affects every important employment stage from appointment to removal.

ABSENCE OF A COMMON MOTIVE

Before bringing this analysis to a conclusion, reference should be made to the absence of a common and an ultimate motive of work. It is upon this that loyalty to the organization, spirit, and morale are built. It is this which gives sense to a man's work and makes it worth while. Appreciating this, the alert business manager knows that the pay envelope is not the end-all for his workers. He is therefore delving more and more into such intangibles as human motives; he is studying human incentives. If he belongs to the socially-minded group of managers, he gives a proper place to the social instincts of his working force and interprets production in terms of service to the community. When made effective, this appeal puts the drudgery of the day's work on a new level, depriving it of much of its tedium and adding dignity to the common task.

This may sound like simon-pure sentimentalism to some of our readers, but contact with outstanding managers in

the public utility field as well as with some of the leading industrial managers and engineers will convince the skeptics that the motive of service and social benefit is being systematically cultivated and that it is proving to be a potent force in the conduct of many large scale enterprises.

It is a striking phenomenon that governmental executives have availed themselves so little of the stimulating power of the service motive. With them profits are not a driving motive. Being engaged in rendering direct service to the public, their reason for being is social in character. But so far as the writer knows there has been, apart from Mr. Hays in the post office department, no openly avowed and sustained effort on the part of a prominent chief executive to animate his working force by an appeal to the service ideal. The army didn't hesitate to create a morale division in time of war and it does not hesitate to continue it in time of peace, but there is no counterpart of that division nor of its function in that great spread of civil work being performed under the name and responsibility of government, whether local, state or federal.

A SOLUTION

Such are the chief elements in the "civil service tradition." Such is the challenge and the problem that confronts public management. To solve it requires statesmanship of a high order. The dead hand of tradition, a positive and a persistent force must be removed. Intangibles such as mental inertia and the "government stroke" must be attacked. Official prerogatives and traditional authority must be quietly ignored. Personnel administration must be coördinated across functional lines in spite of resentment and the charges of "interference" that may ensue. Finally—and this is the meat of the nut—meeting the challenge demands that the chief execu-

tive make personnel his personal and his daily problem.

The "finally" is the goal of the paper. We have set the problem. We now point to its solution. It is that any progress in the standards of the working force will be conditioned by and in direct proportion to the interest and the efforts of the chief executive. This task cannot be entrusted to separate department heads nor to subordinate agencies, nor to a segregated commission. The former may be good technicians but lacking in experience in handling large forces of men or lacking in the ability to arouse team spirit in a working force long since made unresponsive by routine work and the character of the executives in control.

On the other hand, special personnel agencies, whether a semi-external agency such as the typical civil service commission or the subordinate of the finance department as has been met with here and there, will not succeed in the long run. Personnel control is too vital a function to delegate to subordinates or to those who are not a "part of the works." Efficient personnel administration is of the warp and woof of efficient management. The head of the employment department must therefore be an official directly responsible to the chief executive. No lesser authority is capable of coördinating policy and practice across departmental lines. Just as functions formerly performed by the outside budget commission or purchasing committee are being centralized under the control of the chief executive, so must the segregation of responsibility for the personnel be done away with and this function also be taken under the control of the highest authority.

Specifically, the proposal requires that if the city is operating under a civil service law, as most of our large cities are, the head of the commission should be made a member of the mayor's cabinet and recognized as an equal by the other cabinet members. If there is no "civil service" an experienced employment official should be appointed by the mayor; he should be expected to report directly to him and be accepted as a member of his official family. Further, it should be required that the head of the employment work, whether under a civil service law or not, should be chosen as are other technical administrative heads, because he is equipped by training and experience to carry on the personnel work according to up-to-date and approved methods. If his policies are initiated with the staunch support of the executive and under the aegis of the latter's authority, there will be no danger of a lack of coöperation. By no other type of organization can the real and ultimate task of management, the problem of personnel, be met.

The future success of public administration is bound up in this program. The present extent and unavoidable extension of governmental functions which already touch upon our lives at all vital points, will sooner or later make it mandatory upon public authorities to make public service an attractive career. There must attach to it that same distinction that is met with in foreign city and state governments. This will not occur while what we have called "the civil service tradition" prevails.

NOTE.—The theme of the article above is developed in "Public Personnel Administration" by William E. Mosher and J. Donald Kingsley, to be published by Harper and Brothers about June 1, 1936.



NEWS OF THE MONTH

NOTES AND EVENTS

Edited by H. M. Olmsted

New York City's Charter Revision Commission Reports.—After working a year and a half the Charter Revision Commission created by the state legislature and appointed by Mayor La Guardia, has submitted a draft of a new charter for New York City to be voted on at the general election this fall. Hearings will be held upon it during the summer and it is subject to revision.

The basic form of the present government is retained in the proposed charter, the mayor is retained as chief executive officer and the board of estimate is continued, being made up of elected officials as at present. Instead of a board of aldermen of sixty-five members, the charter provides for a council of twenty-nine members—unless the voters adopt proportional representation which is to be submitted separately. (See p. 298 of this issue.) The president of the council is elected by the voters for a four-year term. Other councilmen serve two years.

The board of estimate gives over some of its law-making power now held as the upper branch of the municipal assembly to the new council. The council would initiate all local legislation and have the sole power, subject to the veto of the mayor, to pass on bills which do not amend the city charter or affect the running of the city departments.

The mayor's duties would be lightened by the appointment of a deputy mayor who would attend to many routine matters. The mayor is given the power, too, to appoint a city treasurer to head a new department of finance which would receive all city income, arrange for loans, and pay out city funds. Many of the present powers of the comptrol-

ler would be turned over to this department. The comptroller would become, in effect, the city's chief auditor, having the fullest powers of investigation and of check on payments. Among the proposed reforms in the city's fiscal policies is the setting up of a cash reserve to end all city borrowing in anticipation of taxes.

One of the innovations is the creation of a city planning commission to consist of the chief engineer of the board of estimate and six members appointed by the mayor serving for a term of eight years with their terms staggered so that one would be appointed each year. This commission would be charged with preparing and keeping up a master plan of the city. To it would be referred all public improvements, changes in the city map, and zoning changes which now come before the board of estimate. It would review all local improvements initiated by the local improvement boards and offices of the borough presidents. This commission is also given the power and duty of making a capital outlay budget, with the assistance of department heads, to be submitted to the board of estimate, the budget director, and the city treasurer each fall, containing a list of authorized capital improvements for the ensuing calendar year, together with a program for the ensuing five years. The capital outlay budget would be adopted by the board of estimate in much the same manner that it adopts the normal budget and items could not be added to it during the course of the year. The council could strike items out of the capital outlay budget but not add to it.

Borough autonomy is preserved in the new charter although the powers of the five borough presidents are reduced somewhat by the authority given the planning commission. Creation of a department of housing and

buildings would take away further of the borough presidents' powers since, headed by an appointee of the mayor, it would replace both the tenement house department, now city-wide, and the five building bureaus of the borough presidents' offices, the heads of which are now appointed by the borough presidents.

The charter provides a limited initiative, by petition of 100,000 qualified electors, for the submission of charter amendments. According to the report of the charter commission, this initiative is broad enough to admit of the submission of broad questions of principle, but does not permit the initiative of matters of administrative detail.

G. S.

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Council-Manager Plan Developments.—

Racine, Wisconsin (67,542), defeated a proposed manager charter on April 7 by a vote of 9,631 to 8,164. Calais, Maine (5,470), also defeated a manager charter on April 6 by a vote of 1,025 to 646.

Petitions containing 15,000 signatures, calling for the submission to the people of the recently drafted council-manager charter, have been filed with the city council of Columbus, Ohio, (population 290,564), but the council has decided not to submit the plan on May 12 as previously planned, according to the *City Managers' News Letter*. At the annual meeting in Dover-Foxcroft, Maine, (3,750) on March 16 the selectmen were authorized to petition the legislature for a council-manager charter. In Fort Lee, New Jersey, where a proposal to adopt the plan was defeated in September 1933, the manager league is circulating petitions for a new referendum.

In Pennsylvania at the initial meeting of the Joint Legislative Committee on Local Government Costs the research manager of the State Chamber of Commerce advocated the adoption of legislation permitting cities in the state to adopt the manager plan. Pulaski, Virginia, (7,168) on March 26 voted in favor of a modified town manager government. According to a news dispatch "the manager will work under direction of the present mayor and council of eight, which will continue in office." At the town meeting in Bar Harbor, Maine, on March 3, a proposal on the council-manager plan was submitted for a preliminary vote with the result that of 1,600

people present, a vote of 239 to 159 was registered against it. The Taxpayers' League in Paterson, New Jersey, is reviving a movement to secure the adoption of the manager plan, and it is reported that Yeadon, Pennsylvania, has recently passed an ordinance creating the office of borough manager.

In 1936 for the first time the number of cities operating under a city manager exceeds the number governed by a commission, although mayor-council cities continue to be most numerous, according to the "1936 Municipal Year Book."

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Memphis Establishes Municipal Reference Library.—In order to serve city officials and employees by obtaining and supplying information on modern thought and practice in the field of municipal government, a municipal reference library has been created in Memphis, Tennessee, as a new bureau under the department of public utilities, grounds and buildings. The resources of the new bureau are expected to afford local authorities ready contact with progressive methods, new discoveries, the experience of other cities, and the findings of experts in every division of government service.

Through the coöperation of Jesse Cunningham, librarian of Cossitt Library in Memphis, who helped organize the St. Louis municipal reference library, the Memphis municipal reference library will be able to supplement its own resources by drawing upon the Cossitt collection and facilities.

In establishing the bureau, Memphis falls into step with other progressive cities where a municipal reference library is a valued part of the city government, including New York, Milwaukee, St. Louis, Cincinnati, Chicago, and Cleveland. Establishment of the new bureau is the result of detailed study by Mayor Overton and Commissioner Ralph Picard of the benefits derived by other cities from such a service. Miss Louise Gambill, formerly of the Cossitt Library staff, will be in charge.

*

Winners in Inter-Chamber Health Contest.—The results in the seventh annual inter-chamber health conservation contest conducted among cities by the Chamber of Commerce of the United States, in co-operation with the American Public Health

Association, were announced on April 19. Detroit, Michigan, Oakland, California, Syracuse and Schenectady, New York, Brookline, Massachusetts, and Hibbing, Minnesota, are the cities winning first place in each of the six population groups; thirty-two honorable mention awards were made.

Two hundred and thirty-four cities competed, including thirty-four new competitors. Their population aggregates over 23,000,000, or more than a quarter of the total urban population of the country. Forty-five states, the Hawaiian Islands, and Alaska were represented. The city contest is supported by a group of insurance companies.

Competing cities were judged by an awards committee on the basis of the availability and use of safe water supplies, the adequacy of sewage disposal, the extent to which children are protected against such diseases as diphtheria and smallpox, the number of expectant mothers who receive proper prenatal care, the number of babies who are being kept well through adequate medical supervision, the safety and purity of the milk supply, the use of effective measures for the control and prevention of such diseases as tuberculosis and venereal diseases, and the extent to which the physicians and dentists are practicing preventive medicine.

In addition to the awards mentioned, four special awards were granted to a group of cities not in the contest proper, which have twice won first place in the contest and have maintained their previous high standards of health achievement during 1935. These were Baltimore, Maryland, Hackensack and Newark, New Jersey, and Palo Alto, California.

In the population classes in which council-manager cities were entered, such cities proportionately outstripped those with other forms of government, especially in the smaller cities.

While 21 per cent of the cities in the United States having a population of between 100,000 and 500,000 have city managers, 23 per cent of the winners in this section of the health contest were city-manager cities. These included Oakland, California, which won first place in the group having between 250,000 and 500,000 population, Dallas, Texas, and Grand Rapids, Michigan.

In the 50,000-100,000 population class, in which 27.6 per cent are council-manager cities, six out of the ten winning cities, or 60 per cent, had council-manager government during

the period of the contest. These were Pasadena, California, New Rochelle, New York, Kalamazoo, Michigan, Greensboro, North Carolina, Binghamton, New York, and Sacramento, California.

In the group of smaller cities, those having between 1,000 and 50,000 population, while approximately six per cent have council-manager government, more than 27 per cent of the winners in the health contest were city-manager cities. These were Auburn and Watertown, New York, and Miami Beach, Florida.

Coincidentally with the city contest was a rural contest for the best county or district health work and administration during 1935. The winning counties in the various geographical divisions are Westchester County, New York, Davidson County, Tennessee, Shawnee County, Kansas, El Paso County, Texas, Glynn County, Georgia, and Santa Barbara County, California.

The expenses of the rural contest were borne by the W. K. Kellogg Foundation of Battle Creek, Michigan.

Fire Prevention Contest Awards.—Atlanta received the grand award for having the best fire prevention record during 1935 in the annual contest sponsored by the United States Chamber of Commerce. The per capita fire loss in the 327 competing cities was \$1.23, lowest in the twelve years that the contest has been conducted. The total fire loss for the cities was \$41,248,699 as contrasted with an annual average of \$65,299,552 in the five-year period just preceding 1935.

Philadelphia had the best record for cities of more than 500,000 population. Atlanta won its honors in the 250,000 to 500,000 population class. Hartford headed cities of from 100,000 to 250,000; Lakewood, Ohio, was first in the 50,000 to 100,000 group; Parkersburg, West Virginia, won in the 25,000 to 50,000 class and Geneva, New York, had the best fire prevention record in cities under 20,000.

The following cities received honorable mention:

Over 500,000: Milwaukee, Detroit, Los Angeles, Buffalo, Baltimore, Cleveland, Pittsburgh, St. Louis, and Chicago.

250,000 to 500,000: Cincinnati, Providence, Memphis, Rochester, Akron, Oakland, Indianapolis, Louisville, Kansas City, and New Orleans.

100,000 to 250,000: Nashville, El Paso, Long Beach, California, Grand Rapids, Wichita, Elizabeth, Springfield, Massachusetts, Utica, San Antonio, and Honolulu.

50,000 to 100,000: Bethlehem, Pasadena, New Rochelle, Greensboro, Fresno, Evanston, Lincoln, Austin, Asheville, and St. Joseph.

20,000 to 50,000: Elyria, Ohio, Owensboro, Ky., Lubbock, Texas, Richmond, California, Baton Rouge, Louisiana, Warren, Ohio, Newburgh, New York, Fort Dodge, Iowa, Wausau, Wisconsin, and Wichita Falls, Texas.

Under 20,000: Lafayette, Louisiana, Ridge-wood and Morristown, New Jersey, Palo Alto, California, Valley City, North Dakota, Raton, New Mexico, Port Angeles, Washington, Perryton, Texas, Albany, Georgia, and Charlottesville, Virginia.

G. S.

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Six Thousand Cities in State Leagues.—

According to a report just made by the American Municipal Association, 6,187 cities are members of the thirty-six state leagues of municipalities, organized to further the interests of cities, towns and villages. This is an increase of thirteen leagues and nearly three thousand member cities in the past five years.

Nine of the leagues, as shown in the report, have close relationships with state universities: Arkansas, Colorado, Kansas, Michigan, Minnesota, Oklahoma, Oregon, South Dakota, and Washington. In seven of these cases the league secretary is on the university staff.

Training schools have from the beginning of the existence of the leagues been an important activity. Over a five-year period a total of 44,435 officials—fire, police, finance, food inspection, welfare—have attended the schools, which are usually held for a period of one or two weeks. Fifteen of the leagues provided one or more such schools in 1935.

*

Increased State Aid for Schools.—

Recently compiled figures of the United States Office of Education, as reported in *The United States News*, show that thirty-two of the forty-eight states paid in 1933-1934 a larger share of the school cost than they did in 1929-1930, one of them, North Carolina, paying 42 per cent more. On the other hand, in the case of sixteen states the percentage of state participation is less than in 1929; but

the average rate of decrease for these is only about one-half the average rate of increase in the thirty-two other states. The federal government has increased its share in financing the public school system from 0.4 per cent to 1.2 per cent; but the actual amount of money is less.

All but five of the states have reduced expenditures for education during the depression. The five that show increases in their budgets for school purposes, and the approximate amounts of the increases, are: Illinois, 46; California, 36; Missouri, 7; Tennessee, 3; Louisiana, $\frac{3}{4}$ (in millions of dollars).

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Administrative Reorganization and the Merit System in Kentucky.—

Kentucky is the eleventh state to provide for the merit system of public personnel administration and the first state to do so since 1920, according to G. Lyle Belsley, executive director of the Civil Service Assembly of the United States and Canada. However, several states have made partial provision for the merit system within the last few years.

Although Kentucky's reorganization act became effective immediately upon its passage March 8, it has been provided that the present governmental organization may remain intact until July 1, 1936. Of particular interest to those interested in the extension of the merit system is the provision in the act that the director of the division of personnel efficiency must himself be technically qualified.

Dr. John W. Manning, who has been appointed by Governor Chandler as director of the division of personnel efficiency, is director of the Bureau of Government Research, and associate professor of political science at the University of Kentucky, and has been granted a leave of absence from the university. Dr. Manning assumed his new duties March 12. The division of personnel efficiency is set up in the department of finance, and is designed to perform all recruiting functions of the state, authorize and certify all state payrolls, develop and administer a classification plan and service rating system, develop training programs, conduct wage surveys, and make rules and regulations regarding transfers, leaves, and other personnel matters.

Public Administration Service of Chicago will assist in putting into effect the provisions of Kentucky's reorganization act. The ser-

vice, which conducts research programs in government administration and provides installation and survey assistance to governments on a cost basis, will aid in developing a detailed plan of organization for all state departments and agencies, in establishing a finance department, and in installing budget, accounting, and purchasing systems.

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Regional Meetings of State Municipal Leagues.—In accordance with its program of previous years the Illinois Municipal League is planning to hold during 1936 regional district meetings for municipal officials in ten different places throughout the state. The meetings for March were: Marion, March 10; Mt. Vernon, March 12; Belleville, March 24; and Alton, March 26. Tentative plans have been made for additional district meetings to be held in the following cities: Mattoon, May 5; Bloomington, May 7; Galesburg, May 19; LaSalle, May 21; Rockford, June 9; and Aurora, June 11. The purpose of the district meetings is to bring the services of the League to the various parts of the state, especially to municipal officials unable to attend the annual conventions, as well as to enable officials to discuss timely subjects and to exchange ideas and practical experiences in the solution of local problems.

The League of Texas Municipalities has held five regional meetings thus far in 1936 and has six more scheduled. The cities and dates are: San Antonio, February 21; Waco, March 6; Houston, March 20; Brownsville, April 3; Longview, April 17; Corpus Christi, May 8; Wichita Falls, May 22; San Angelo, June 5; Amarillo, June 19; Arlington (Dallas-Fort Worth), July 2; and El Paso, July 17.

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West and East Share Honors for Governmental Research.—In the third annual contest of the Governmental Research Association, results of which were recently announced, the work of Herman Kehrli, director of the Bureau of Municipal Research of the University of Oregon and executive secretary of the League of Oregon Cities, on "Portland Pension Problems," was judged the best among sixty reports submitted. Second place was given the report, "Boston's Tax Limit and the Local Application of the Municipal Finance Act," by Herman C. Loeffler, secre-

tary of the Boston Municipal Research Bureau. Members of the award committee were William H. Allen, secretary of the Municipal Civil Service Commission of New York City; John N. Edy, city manager of Toledo, Ohio; and William E. Mosher, director of the school of citizenship and public affairs of Syracuse University.

Entries in the competition indicated the wide range of activities of the governmental research bureaus during the year. Among the subjects of reports were cost of elections and registration, municipal debt problems, reform in tax collection procedure, real estate and personal property assessments, and the fire insurance classification of cities.

Last year's award was made to J. M. Leonard and Lent D. Upson, of the Detroit Bureau of Governmental Research, for their study of the government of the Detroit metropolitan area. In 1934, first year of the competition, Herman C. Loeffler won first place for his critical analysis of the then proposed PWA construction program for the city of Boston.

*

Trained Personnel for Social Security Programs.—A warning that officials of state and local governments must recognize the need for staffing public welfare agencies with professionally competent personnel, if the welfare purposes of social security programs are to be properly accomplished, is sounded in the current issue of *Public Welfare News*, official publication of the American Public Welfare Association, which finds that in some states and localities "there is no clear understanding of just what the job entails." It is stated that "the federal government is recognizing the importance of the work to be done by obtaining the best personnel available for federal positions. The U. S. Children's Bureau and the Social Security Board are working closely with the Civil Service Commission to this end, setting a very good example to the state governments by their adherence to the spirit as well as the letter of the merit system in recruiting their own personnel." The social security act specifically requires that state plans provide certain methods of administration as are found by the board to be necessary to their operation, thus calling for correspondingly high standards of personnel.

Nation-wide Poll Approves Merit System.—The American Institute of Public Opinion has recently conducted a poll, by mail and by interviews, in which more than a hundred thousand Americans, intended to be a representative sampling of the population throughout the country, were asked these three questions:

Should government positions, except those which have to do with important matters of policy, be given to those who help put their political party in office, or to those who receive the highest marks in civil service examinations?

Should all postmasters hereafter be selected by civil service examinations?

Should all Washington employees of the special emergency agencies created by the present administration be placed under the civil service?

Affirmative replies to these questions were given by 88, 86, and 69 per cent of the "voters" respectively. Sentiment in favor of the merit system was not confined to members of any one political party. Eighty-three per cent of the Democrats, 91 per cent of the Republicans, and 93 per cent of the Socialists participating in the poll favored civil service.

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Need for a Federal Library Agency.—The American Library Association's committee on federal relations has recently issued a statement on "The Need for a Federal Library Agency," which points out that the spread of library service in this country has suffered a considerable setback and that a federal agency is greatly needed to stimulate the growth in number, quality, and effectiveness of public libraries.

The report, prepared for the committee by Carl Vitz, of the Toledo, Ohio, Public Library, and a committee member, states that "despite the efforts of state library associations and the American Library Association, perhaps only one-third of the library job has been reasonably well done. If local efforts, state efforts, and private efforts have not been sufficient to bring about universal library service, it is necessary to introduce also a federal element." While libraries have had assistance from the federal government in various forms, the government, unlike those of most other nations,

does not contribute to the support of libraries other than those at its capital, nor supervise or furnish comprehensive advice to the libraries of the country. "The possible functions of a federal library agency fall naturally into three divisions: (a) fact finding, (b) fostering co-operation with other agencies and the co-ordination of library services, and (c) promotion of library interests in the country viewed as a whole." The report goes on to outline nine specific functions which a federal agency might well carry on.

The proper place for such an agency is stated to be in the federal Office of Education; and it is noted that the proposed budget for that office for the year 1936-1937 contains an item of \$40,000 for an enlarged library division, the result of the association's suggestion to Secretary Ickes and the commissioner of education, John W. Studebaker.

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Increased Attention to Police Training.—Three new states are installing police training schools: the League of South Dakota Municipalities announced three-day training schools in three cities during April, the Minnesota League of Municipalities will hold a course in May, a school is being planned by the Illinois Municipal League, and Georgia is considering holding one.

The Wichita, Kansas, Municipal University has established a two-year course in police science and fourteen men now enrolled work part time for the Wichita police department at salaries of fifty dollars a month while they learn.

The course for traffic policemen at Northwestern University, Evanston, Illinois, will play a part in the new urban traffic safety training program of the International Association of Chiefs of Police which has been made possible by a grant of funds from the automotive industry. This school, during its three years of existence, has been attended by approximately 125 police officers from all parts of the country.

As the first experiment in its proposed program to hold a series of regional fingerprinting schools, the Federal Bureau of Investigation recently taught over fifty police and other peace officers of the Dallas, Texas, region how to make identifications.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

New York—Fewer County Officers in New York City.—The anomaly of five independent county governments within the City of New York will be substantially abolished under a plan of consolidation embodied in six bills prepared by the Citizens Union of New York and introduced in the municipal assembly, board of aldermen branch, by Alderman Morris. Jurisdiction over county offices, except judges, district attorneys and county clerks, was conferred upon the city by an amendment to the state constitution adopted last fall, making it possible to dismantle partially the five county governments, which have become merely convenient rookeries for politicians. Under the plan of the Citizens Union, one sheriff and one register, appointed by the mayor after civil service examination, would supplant five separate sheriffs and registers, while the city chamberlain would take over the functions of the five public administrators. The work of preserving and indexing certain records is assigned to the new register, thereby eliminating the offices of three county commissioners of records. The effect of these changes would be to abolish a total of nine elective offices and to vest in the appointive sheriff and register functions now distributed among seventeen independent offices.

The constitutional amendment itself provides that county clerks, hitherto elective, shall hereafter be appointed by the courts, and that the clerks may also take over the functions of the present commissioners of jurors, of whom there is one in each county.

A plan suggested by the City Club of New York differs from that of the Citizens Union primarily in proposing that the functions of the registers and the duties of the sheriffs in executing civil process be assigned to the county clerks.

The municipal assembly has appointed a joint committee of the board of estimate and board of aldermen to study county consolidation. The committee recently announced that it would shortly hold public hearings.

SAMUEL D. SMOLEFF

Acting Counsel, Citizens Union

Oregon—Clackamas County Demonstrates Planning.—Clackamas County, with a population of 45,000 scattered over an area of approximately two thousand square miles, has had a planning board since May 1935. When the board presented a report to the Third Pacific Northwest Regional Planning Conference held at Spokane, Washington, recently, these were some of the accomplishments listed: (1) A constructive, organized road program involving projects totalling nearly \$900,000 was established under the provision that all highway construction must be approved by the planning board before it is authorized by the county court, in which connection a county-wide traffic survey, the only one in the state, was made with relief labor; (2) plans for thirteen PWA projects, including a new courthouse, a city hall, and work on nine public schools, costs totalling \$1,300,000, which the people voted to finance by bonds; (3) plans for sixteen WPA projects, costs totalling half a million dollars, including stream measurements, national youth projects, parks and a county-wide library program; (4) land settlement and reforestation studies looking toward the best use of land. Investigation of new types of industry which might be brought in.

Work on flood control, testing of farm lands, a survey of underground water reserves for irrigation purposes, drainage projects, and a mineral resources survey are among future items on the long-term plan of the Clackamas board, which already has compiled a dozen maps showing basic information on these matters. Close coöperation between the Oregon state planning board and this local planning board has done much to speed up the various county projects. One important result has been the employment of nearly all relief workers, as well as many non-relief employables.

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Montana—Agitation for Simplified County Government.—No county offices in Montana have been consolidated despite the fact that the state constitution was amended at the polls November 6, 1934, giving county commissioners the power to consolidate any two or more of the following offices: assessor, clerk and recorder, treasurer, superintendent of schools, surveyor, sheriff, coroner, and public administrator. The law has had one very de-

sirable effect, however, and that is to direct more attention toward the present structure of county government in the state and the necessity for some changes. The secretary of the Montana Taxpayers' Association, Mr. Fred Bennion, reports that after discussing rather carefully the advantages of office consolidation with county commissioners and members of taxpayers' committees in several counties, these citizens have concluded that the county manager form of government possesses much greater advantages than could be secured through office consolidation under present regulations. After studying the Montana county manager law, as passed by the 1931 legislature and amended in 1933, most of them also conclude that it is much better than they had at first surmised.¹ In Jefferson County, for example, the board of commissioners after an all-day session, asked Mr. Bennion to prepare an outline of the county manager law and of the petitions necessary for the taxpayers to circulate.

The delegate assembly of the Montana Education Association, at its annual meeting in Great Falls March 13 and 14, recommended to the state legislature that: (1) a bill be introduced calling for an amendment to the state constitution changing the term for all elective county officers from two to four years; and (2) that the county superintendent of schools be elected on a nonpartisan ballot. Other recommendations of the assembly included an enlarged school administrative and supervisory unit in place of the present small district system, and increased state and federal support for the schools.

ROLAND R. RENNE

Montana State College

TAXATION AND FINANCE

Edited by Wade S. Smith

Tax Limitation Again Proposed for New

York.—The current session of the New York State legislature again sees an attempt to amend the state constitution to impose a limitation on realty taxes based on assessed valuations. A resolution for amendment to provide a limitation of 2 per cent of "true

value in money" to include debt service was defeated in the 1935 session.

The currently proposed amendment would, after January 1, 1939, limit the total amount of taxes levied against any parcel of taxable real property in the state, for the combined county, city, town, village, school, and special district purposes, to not more than 1¾ per cent of assessed valuation, plus the amount required for service on debts representing permanent improvements. Allocation of the shares of local units in the limited tax would be determined by statute.

Amendments to New York's constitution must be approved by two successive legislatures, and then ratified by popular vote. Last year's disapproval of a somewhat similar limitation amendment will probably be repeated this year, though with a new assembly it is difficult to forecast such action with any soundness. The State Conference of Mayors is vigorously combating the measure, the State Commission for the Revision of the Tax Laws incorporated strong studies against it in a recent report, and other civic organizations have taken stands along similar lines. Support comes chiefly from the real estate boards of the state and New York City.

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Municipal Debt Readjustment Actions.—

Amendment of the Sumners-Wilcox act of 1934, providing for readjustment of municipal debt, to permit any insolvent city to file intention of action up to January 1, 1940, is now awaiting the President's signature. Without the extension, the deadline would have been May 24, 1936. Debt readjustment plans still require the consent of the municipality and the holders of 75 per cent of its securities.

Extension of the act will follow closely upon action of the federal circuit court of appeals (5th circuit) in reversing a decision of the federal district court of the southern district of Texas which held several months ago that the act was unconstitutional. In reversing the decision to hold that the municipal debt adjustment act is constitutional, the court said in part: "We do not consider that consent of the state in advance is necessary to enable a political corporation to take advantage of the beneficial provisions of the law."¹

¹The Montana optional county manager law is based on the model county manager law of the National Municipal League.—EDITOR.

¹As this department goes to press, word comes from Washington that the Supreme Court has granted a review of the decision of

Petition for a readjustment was filed on March 30 by the township of North Bergen, New Jersey, the first municipality in the east to take such action. As of February 29 the township's counsel reported liabilities amounting to \$3,974,850, including a \$1,500,000 judgment obtained by a group of creditors. Fifty per cent of the creditors have already consented to the action.

Under the readjustment plan offered to the federal court in Newark, the township would create a sinking fund immediately for the purpose of refunding all bonds between the present and 1945. Obligations would be refunded with interest at 4 per cent for the first ten years and $4\frac{1}{2}$ per cent for the remaining thirty years. The sinking fund would be established over ten years to take care of a number of specific obligations coming due in that period. The fund would be built up at the annual rate of \$760,000 in 1936 gradually descending to \$560,000 in 1940, and gaining to \$750,000 in 1944 and 1945.

Colorado Old-Age Pensions Hit.—Falling off of revenue collections in the Colorado state liquor department have caused consequent lowering in the state's old-age pension payments, according to the *Denver Taxpayers' Review*. The funds distributed in February totalled \$340,200 while the March distribution was \$262,000, a shortage of \$78,200 as compared with the previous month. Of this total shortage the liquor department accounted for \$72,300. The February contribution from the liquor department was \$233,400 while the funds which were distributed in March only contained \$16,100 of liquor revenue.

Scrip Still in Use!—From Atlantic City, New Jersey, comes word that scrip is still a mainstay in municipal payrolls. During February, 1936, salaries were paid half in cash and half in non-interest bearing scrip. There have been only two months since December, 1932, when employees were paid in full in cash.

Page New Sources of Revenue.—Cambridge, Mass., is said by the press to be

the Fifth Circuit Court of Appeals. Arguments were set for April 28, but there is doubt a decision will be forthcoming before the Court's summer recess.

considering a new type of assessment against the previously tax-exempt institutions of Harvard, Radcliffe, and Massachusetts Institute of Technology. The tax would be a "service charge" of ten dollars per thousand of valuation, to pay for policing of football games and student demonstrations, removal of rubbish and ashes, and services of the fire department. Revenue totalling at least \$1,000,000 is anticipated.

Useful Compilation on State Tax Departments.—Useful to students of state tax systems is an article by Willard N. Hogan, of the Bureau of Business Research of the University of Kentucky, entitled "Composition and Duties of State Tax Departments." Originally published in the January, 1936, issue of *The Tax Magazine*,¹ a twelve-page reprint has just reached this desk with the complimentary stamp of the Bureau, from which copies may be secured. Seven tables, concise comment, and a discussion of the recommendations of the National Tax Association as to the duties of a model tax commission, are included in the article, which outlines the scope and make-up of each of these important state agencies.

RFC Bank Holdings Made Tax Exempt.—On March 19 President Roosevelt signed the much debated bill giving immunity from state and local taxation to the billion dollars in bank stocks and debentures owned by the Reconstruction Finance Corporation. After defeat a month previously in the House, the bill was resurrected at the insistence of RFC officials that passage was necessary to avert grave effects on its narrow but necessary margin of profit.

Passage of the new bill, which makes federally-owned bank stock, capital notes, and debentures tax-free, means a yearly loss of approximately \$5,500,000 to state and local taxing units, according to Paul V. Betters, executive director of the United States Conference of Mayors. This shrinking of potential local revenues has been partially compensated for, however, by the fact that the RFC has preserved bank assets in general, and safeguarded the accounts of many taxpayers as well as deposits of public funds, Mr. Betters pointed out.

¹Published by Commerce Clearing House, Inc., 205 West Monroe St., Chicago.

Balancing the British Budget.—With currently released estimates indicating that the total national debt of the United States will shortly approach the forty billion mark, and that the year's taxes for federal, state, and local government were approximately half a billion dollars more than the food bill, two billions more than the rent bill, and four times the net corporate income—it is reassuring to discover that one nation recently in as grave financial distress is now out of the red. Great Britain's revenues in the fiscal year ending March 31, 1936, were £753,000,000, and her expenditures £750,000,000.

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Detroit to the Fore Again.—From City Treasurer Albert E. Cobo of Detroit, Michigan, comes the following recapitulation of that city's delinquent tax collection drive to date, summarizing the famous seven year funding system:

"The delinquent taxes for 1932 and prior years are now being paid on what is known as the seven year plan," writes Mr. Cobo. "Since this amendment became effective the \$49,000,000 then outstanding has been reduced to \$7,000,000. Considering those taxes on the seven year plan as not being delinquent, 200,000 parcels of property came back on the active rolls as a result of this amendment; another charter amendment was enacted in October, 1935, which reduced the interest rate on current taxes from 10 per cent to 7 per cent, and on delinquent taxes from 10 per cent to 8 per cent. This amendment also stopped the mandatory sale of taxes to tax title buyers, and this coupled with low tax budgets for the current years [\$54,840,000 in 1935 as compared with \$76,000,000 in 1931, Ed.] has increased the current payment of taxes to where we have now collected 75½ per cent in the first six months of the fiscal year, and further, every year's taxes are better than 80 per cent collected other than the current year."

After "reconstruction of the tax program" by charter amendment, pay-your-taxes campaigns were used to inform the people of the changes made and advise them of the benefits of coming in under the regularized payment plans. Billboards, radio, press, and circulars were used in the educational program.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

New York to Vote on P. R. This Fall.—

On April 27 the New York City Charter Commission made public a tentative draft of its proposed new charter and with it announced its decision to submit P. R. as a separate question, as authorized by the legislative act by which the commission was created. "The Commission was unanimous," says the commission's introductory statement, "in its conclusion that the question of the election of the council by proportional representation should be submitted to the electorate. It is accordingly submitting the question for determination by the electorate as a separate question without recommendation for or against the proposal. If proportional representation is approved, councilmen will be elected by borough-wide election, each borough electing one councilman for every 75,000 votes cast."

The charter commission is planning to hold public hearings in May, put its proposals in final form late this spring, and submit the charter and P. R. at the presidential election in November. Advocates of a new charter appear to be generally satisfied with this time of submission because, although other issues will lessen the attention that otherwise might be given to the charter issue, it is the time when the greatest numbers of non-political voters are sure to come to the polls. The Cincinnati P. R.-manager charter was adopted at the presidential election in 1924.

A City Council with Important Powers

The body to which P. R. will be applied if adopted is a city council replacing the present board of aldermen but with less than half as many members and with somewhat increased powers. Technically it will be a single-house city legislature, but as the board of estimate will retain a veto power over the most important local laws as well as its present right to pass first on the mayor's budget and fix maximum limits for all appropriations, the present bicameral arrangement will not actually be disturbed to any great extent except that the council will have sole right to initiate local laws. Even the present board of aldermen, however, has sufficient power to

prevent the former orgy of misrule revealed by the Seabury investigation if it were inclined to use its power. The trouble has been that the board has been so unrepresentative and completely dominated by one political machine that it has been little more than a rubber stamp for the machine's decisions. Civic leaders are convinced, therefore, that P. R. can be of great value to the city in its proposed application and hope that a demonstration of that fact will lead to greater powers being given to the council in the future.

A Fixed Quota

The commission is submitting P. R. with a fixed quota, as proposed by Judge Seabury in his famous final report to the Hofstadter legislative investigating committee. Each borough will be a separate single district electing as many members as it polls multiples of 75,000 votes. This will have the great advantage of reapportioning the councilmen to the boroughs each time on the basis of the votes cast and thus removing permanently one of the most vexatious of political problems. The resulting council should consist of about twenty-five members.

A Statement of Major Principles

In drafting the P. R. proposals the commission departed from the usual American practice of setting forth the P. R. rules in detail. Following a common British practice it merely stated the major principles to be followed, delegating the preparation of rules and regulations to another body. In this case the body selected is a temporary commission to be appointed by the mayor before January 1, 1937, if the charter and P. R. are both approved. The commission is to submit its draft to the board of aldermen before April 1, 1937, and the board is given the right to change it, without departing from the prescribed principles, before June 1, 1937, at which time it becomes effective for the 1937 election whether acted on by the board of aldermen or not. Councils elected by P. R. may revise the rules and regulations at any time, subject to the principles set forth in the charter. These principles are worded as follows in the tentative draft:

Each borough shall constitute a single district for the election of councilmen and shall elect one councilman for every seventy-five thousand voters who cast valid votes for councilmen within it. A

remainder of more than fifty thousand such voters shall entitle a borough to one additional councilman and each borough shall be entitled to at least one councilman. Each voter shall have a single preferential vote. He shall be allowed to indicate a first choice, second choice, third choice, and further choices among all the candidates for councilmen in the borough. His vote shall be counted for his first choice if it can help to elect his first choice and, if not, for the first of his choices whom it can help to elect. Seventy-five thousand votes shall be the quota sufficient to elect a candidate and votes in excess of that quota shall be transferred to other choices of the voters who cast them. Votes cast for a candidate with too few votes to secure election shall likewise be transferred, upon the defeat of that candidate, to other choices of the voters who cast them. Nominations shall be made by petition of not less than two thousand voters for each candidate nominated and shall not be made by primaries. Nominating petitions may specify party, group, or individual designations to accompany the names of the candidates on the ballot but shall not specify the name of any recognized political party without permission from the county committee of that party. Sufficient watchers to give adequate representation to the candidates shall be given full facilities for witnessing closely every stage of the election and of the count.

It is too early at this writing to report the reaction of the press and of the city generally to the P. R. proposal. However, almost all of the foremost civic groups and, with the exception of the inside organizations of the dominant party, the important political groups also are already on record in favor of the principle.

The Alternative

In case P. R. is not approved the charter provides for election of the council from senatorial districts, one councilman from each district, with additional members elected by boroughs at large from Queens, Brooklyn, and the Bronx until present inequalities are corrected by a state reapportionment. The total number of councilmen under this scheme would be twenty-nine.

The rest of the proposed charter—which must be adopted if an approval of P. R. is to have any effect—does not depart fundamentally in many respects from the existing charter, though it contains a number of changes which are generally considered useful

and is vastly superior to the present cumbersome document in brevity, arrangement, and form. A summary of its major provisions will be found on page 289.

GOVERNMENTAL RESEARCH
ASSOCIATION NOTES

Edited by Robert M. Paige

Cincinnati Bureau of Governmental Research.—A leaflet issued in January summarizes the achievements of the Cincinnati Bureau during the past ten years of its existence, under the following six captions.

1. *Governmental Administrative Organization and Procedures.* The Bureau has aided the city, county, and school officials in the reorganization of their office layouts, their record systems and their business procedures. The recommendations made and adopted have eliminated much red tape and unnecessary duplication of effort which has resulted in improved service and in reduced cost to the public. The installation of the photostat in the county recorder's office is one example of this kind of work. Sixteen published reports deal with this type of service.

2. *Legislative Procedures.* Councils and boards of the governmental units need as much assistance in improving their methods of procedure as do the administrative officials. Five bureau reports aided legislative bodies in developing logical working methods for dealing with their problems.

3. *Improved Personnel Procedures.* The Bureau has assisted in establishing better personnel procedures in the local governments. It has recommended the classification of positions and salaries so that persons performing the same work will receive the same pay under similar conditions. It aided in the reorganization of personnel and records of the police department and recommended the present retirement system for the employees in the city. Six published reports deal with these questions.

4. *Solutions and Analyses of Financial Problems.* The scope of work in this field has covered actuarial studies of pension funds, general accounting for the city of Cincinnati, county of Hamilton, and the Cincinnati school district, cost accounting for various departments, billing systems such as the one in

the water works department and the tax billing system in the county. The analyses of the fiscal affairs of the city, county, and the schools system established uniform classification of receipts and expenditures which has proved very useful for comparative purposes. Twenty-nine reports are of this nature.

5. *Studying Social Problems.* The most important studies the Bureau has ever conducted deal with public health, public school education, child care, leisure-time activities, public library facilities, and population trends. These are recent reports which because of their close inter-relation were published at the same time. The Bureau has previously published reports on county welfare administration and on the operation of the tax-supported hospitals of the community.

6. *Miscellaneous Problems.* Besides formal studies, the Bureau is called upon for statistical information by individuals and special committees covering every field of governmental service. The purchasing procedure established for the Committee on Coordination and Coöperation in Hamilton County is a noteworthy example of what can be done in the field of coöperation between governmental units.

The Bureau's conception of efficiency in government is not that of cutting costs at whatever expense of inadequacy in services. Its conception of true economy embraces the adoption of standards of service as high as the needs of the citizens require, the avoidance of waste in operation, and the employment of the most effective methods and facilities. The Bureau does not shrink from recommending such services as truly economical, even when prior services on lower standards have been rendered at less apparent cost.

While the saving of money is not the primary objective of the studies which the Bureau has made, there have resulted savings from the adoption of Bureau recommendations, which amount each year to a half million dollars in the operating costs of county, city, and school governments. Such savings are the by-products of the work, and have contributed to keep the local governments in this area solvent through a period of decreasing revenues and of increasing demands.

Fitchburg Taxpayers Association.—During the past year the Association has completed six major studies. In a report on the city police department the Association disclosed that Fitchburg had the lowest number of policemen per 1000 population of any city in Massachusetts. That the police department was operating efficiently was shown by low crime rates and low costs for equipment and maintenance.

The Association's study of the welfare department resulted in the adoption of improved procedures and more thorough investigation of applicants for relief.

A study of the cemetery department assisted in putting this function on a more nearly self-supporting basis.

A complete analysis of all expenses of the city during the past ten years has been completed and put to good use in connection with the examination and criticism of the 1936 budget.

Studies of the public works and fire departments were also completed during the year.

Since April 1935, the membership in the Association has increased from 475 to 2,800. Newspapers have been extremely coöperative and have given a great deal of space to Association activities.

The Association is an active member of the Massachusetts Federation of Taxpayers Associations.

PAUL Z. CUMMINS, *Director*

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City Club of Portland, Ore.—Highlights in the twentieth year of the City Club include the publication of the following reports:

Elementary and Secondary School Organization and Support in Oregon: An extremely comprehensive report which has won nationwide recognition in educational circles, detailing the development of the Oregon system, determining general trends and specific factors which have increased the cost of education, and presenting a long-time program for educational improvement recommending the adoption of the county-unit system, together with a state defensible program, a state equalization fund, a balanced system of taxation, a state board of education, a state insurance plan, a state school building code, and the

use of an index figure for salary determination.

Municipal Budget Study: A detailed study of Portland's budget-making procedure, together with observations on the action of the tax levying board in drawing up the municipal budget for 1936, criticizing the former practice of diverting the appropriation for the annual independent audit of the city for other purposes, and recommending the creation of a bureau of municipal research and a salary classification and standardization study by an independent agency.

City Planning Studies: Reports on the site for the new state capitol building at Salem, the proposed highway development in the Columbia Gorge, and on the problem of the Unification of Terminals for Portland.

Marriage Laws: A study of the existing marriage laws in Oregon and neighboring states, recommending medical examination of both applicants for marriage, and that a marriage license be denied an applicant who has apparent mental or hereditary defects, unless the applicant submits to sterilization.

Review of Election Measures: Detailed committee studies on each of eight measures on the ballot January 31, followed by a summary of the committee findings and the recommendations of the club.

Studies Now Under Way include Front Avenue development, civil service in Portland, a Columbia Valley authority, the care of emergency accident cases, traffic control, the old-age pension administrative act of the 1935 special session, and a comparative study of the state taxation systems in Oregon, Washington, and California.

C. HERALD CAMPBELL, *Executive Secretary*

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Toronto Bureau of Municipal Research.

—Three reports were issued last year covering a study of the civic budget made by the Bureau. In the recommendations and suggestions contained in these reports the following among others were stressed: (a) A reduction in the number of departments by placing under one head such operations as those dealing with public works, street cleaning, property and building; (b) centralized purchasing; (c) the necessity of having a truly balanced budget; (d) the need of returning to a pay-as-you-go policy in current financing by including in each year a gradu-

ally increasing portion of the costs of direct relief instead of funding such expenditures; (e) the necessity of reducing total expenditures so that these are more in line with the taxpayers' reduced income; (f) two or three year overlapping terms for members of council; (g) a study of the civic personnel establishment to determine among other things whether there are too few or too many employees and how civic salaries and wages compare with those in private employment.

In the 1936 budget just announced a portion of the direct relief costs have been included. Consideration is also being given to centralized purchasing. Salary cuts have been made by both the city and the board of education.

An analysis of the voting record at civic elections was made by the Bureau staff and a report issued giving important reasons why citizens should vote. A study was made of the financial results of operation of the civic abattoir since its inception and a recommendation made that the plant be sold. A report was made pointing out the fast diminishing borrowing margin in Toronto and the need for a long-term capital budget plan.

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Kentucky Tax Reduction Association.—The Association has been encouraged by the progress made toward governmental reorganization in Kentucky this year.

In March the legislature enacted into law the governmental reorganization act advocated by Governor Chandler, and described briefly in the last issue of this REVIEW.

Under the new set-up the governor proposes to effect substantial economies in regular operations. Old-age pension payments authorized by the 1936 legislature will absorb most of this saving. Taxpayers are none the less grateful that ordinary expenditures were reduced to take care of this new form of public assistance.

County reorganization legislation was not taken up at the recent session of the Kentucky legislature. This was at the request of the governor, in order to concentrate upon state reorganization. It is possible that local governmental affairs will receive attention at a special session later in the year.

An attempt was made by the jailers' association to repeal the 1934 act consolidating the office of jailer with that of sheriff. This

merger was one of the laws sponsored by the Kentucky Tax Reduction Association. The attempt to repeal it this year was defeated in the senate, after the house had passed it by a vote of 51 to 28.

The principal legislative objective of the Association at present is to abolish the fee system. The governor has become interested and has promised the Association that he will bring it to the attention of the legislature at the opportune time.

Other legislation adopted at the session in which the Association was interested included a proposed constitutional amendment permitting the consolidation of city and county governments. This amendment will be voted upon at the regular election this fall.

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Commission on Governmental Efficiency and Economy (Baltimore).—As the result of a study and recommendations made by the Commission, the city agreed to take steps to have the "bid-the-rate" method of selling city bonds put into effect prior to the next sale of bonds.

The Commission coöperated with the state relief administrator in planning an organization structure and businesslike administrative procedures for a state department of welfare.

The coöperation of the Commission was requested by the city in the preparation of the city budget for 1936. Consideration was given to the Commission's suggestions, resulting in many cuts in the city's estimates in order to bring the budget closer to the total recommended by the Commission.

The city plan commission requested the economy commission to assist in the preparation of an ordinance for the purpose of broadening and tightening the powers of city plan commission. A bulletin was issued bringing out again the importance of having not only a physical development plan, but also a plan for securing economical utilization of public funds in the construction of facilities essential to the community.

The Commission assisted the supervisors of elections in the preparation of bills providing for permanent registration and voting machines for the city, and issued bulletins emphasizing the possible savings, increased efficiency, and methods of financing such systems.

The Commission assisted the mayor's com-

mittee appointed for the purpose of investigating the question of hired versus city-owned trucks.

Investigations are now in progress of the purchase of food at city institutions. These investigations, made at the request of the mayor, will tie in with the results of studies made two years ago on the same subject.

The Commission made a study of the city-federal public works program for Baltimore covering a program of approximately \$19,000,000 of new public improvements, and submitted a report on the financial aspects of the public improvement problem.

The Commission serviced the governor's committee on state policy and revenue for aid to the needy on matters affecting the city of Baltimore and Baltimore taxpayers, assisted the committee in applying essential factual data to the work, and developed a plan for the distribution of state funds for relief to local jurisdictions.

Efficiency and Economy Commission of Pittsburgh.—The Commission was organized in accordance with a resolution of city council, approved by the mayor. In addition to the direct membership of the Commission, Pittsburgh's industrial, commercial, and financial interests, together with many individuals in the professions, are furnishing a large sub-committee membership for study of various problems.

It was decided to make no recommendations based upon perfunctory observations and that thorough fact-finding surveys were necessary, covering: (1) Nature and volume of activities of each unit of the city government, (2) organization set-up and personnel, (3) systems and methods in use, (4) policies pursued, (5) legal provisions governing.

Complete working reports are developed, a number of which have been presented, with others nearing completion as follows:

General Operating Re-organization: New set-up of departments and bureaus and organization of same, revision of operating districts, changes in "service" plant, automotive and shops, stores, purchasing, costs and statistics.

Accounting in general: Disbursements, payroll and paymaster, cost accounting, billing and receipts, collection methods, general accounting, and audit.

Reports have been presented dealing with: Pensions; debt and sinking fund, short term notes, optional coupon bids, etc.; compensation and general public liability insurance.

Many other surveys dealing with systems and methods, routine procedure, plant, etc., are in progress.

The Commission regrets that at present it is unable to supply copies of its reports to the large number of persons and organizations requesting them.

HENRY J. HORN, *Executive Secretary*

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Bureau of Public Administration of the University of Virginia.—The Bureau in cooperation with the League of Virginia Municipalities has completed the following studies since July 1, 1935:

In support of the League of Virginia Municipalities' legislative program the Bureau prepared brief statistical reports on the alcoholic beverage control act, sales tax, income tax, education costs, and gasoline tax. The purpose of these reports was to demonstrate the need of a better plan of apportioning moneys to the municipalities.

The Bureau prepared a series of reports and framed a proposed pension and retirement act for the Virginia Police Executives' Association. The reports demonstrated the desirability of establishing a system which would be financially sound and based on a jointly contributory principle. Estimates of probable cost to the state, the municipal corporations, and the policemen were included. The proposed system is to be administered by the state comptroller's office.

Two series of tables on state-administered locally-shared taxes were prepared. One series has appeared in the sixth edition of "Tax Systems of the World" and the other will appear in the "Municipal Year Book" for 1936.

The most recent study of the Bureau advocated the establishing of a merit system for the state employees of Virginia. It appeared as the March 1 issue of the *University of Virginia News Letter*. Its purpose was to emphasize the need of a study of the personnel situation to be undertaken by a commission to be appointed by the governor to study the classification of positions and salary standardization in the state service.

Besides its research activities the Bureau is

building up a library on public administration including books, pamphlets, and state and local documents. This special library now totals approximately 15,000 volumes.

RAYMOND UHL, *Acting Director*

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New Bedford Taxpayers' Association.—

The Association has continued its work of fact-finding and fact-presentation, to the end that efficiency in government may be obtained by coöperation as far as possible with public officials.

Last fall a study was made to try to determine the relation between the federal ERA expenditures and the expenditures of the local welfare department. Taking into account the fact that the city furnished the material and the federal government furnished the labor on different projects, it was determined that for every \$1,000,000 spent by the federal government, there was a reduction of \$300,000 in the expenditures for the welfare department. The rules, however, have been so modified and are so uncertain, that the effect of the WPA program is more or less a matter of guess. The future of the federal welfare program on municipal expenditures is the most doubtful item in the 1936 local budget.

Massachusetts had a state recess commission studying taxation which proposed a tax on the capital value of intangibles at the local tax rate. This form of wealth is now reached through an income tax. The Association found it necessary to appear before this commission and by a presentation of facts, point out how disastrous the proposals of this special commission would be to Massachusetts. Another proposal was to tax the inventory of manufacturers, which was fought by the Association on the basis of the effect upon industry, so that the commissioner's final report was not only against a tax on inventory, but was in favor of reducing the tax on industrial machinery. We hope that this legislation may be passed at the present session, so as to benefit Massachusetts industry.

At the present time the Association is co-operating with the Massachusetts Federation of Taxpayers' Associations in its protest against the budget of Governor Curley for state purposes, which is the highest that has ever been presented. The fight on this budget is based upon the inability of the taxpayers to pay more taxes in any form. Naturally

this fight is on the border line of political action, but every effort is being made to keep it on a fact basis.

New Bedford Taxpayers' Association, having been formed in 1925, is trying to keep the spirit of research in the operation of those taxpayers' associations which have been more recently formed in Massachusetts and which have a tendency for more direct action.

HART CUMMIN, *Director*

Citizens' Research Institute of Canada.

—The annual study of the cost of government in Canada—municipal, provincial and dominion—was again made in 1935 and three reports on the subject issued.

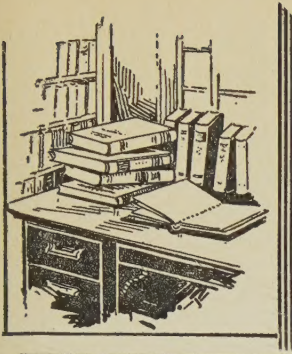
A study of the overspending of governments in Canada was completed showing that 1934 budgets of Canadian governments were unbalanced to the extent of some one hundred and ninety-two million dollars.

In the Institute's study of "A Nation-Wide Plan of Taxation for Canada," reports were issued covering the forms of taxation used for provincial and municipal purposes in the provinces of Alberta and British Columbia as well as a general financial survey of these provinces. A report was also issued on a study made of exemptions from municipal taxation in the larger Canadian cities.

The assistant director, Joseph E. Howes, was in charge of the installation of a modern system of valuation for assessment purposes in the city of Saint John, N. B., and in the revaluation of the business properties in that city with a view to replacing the tax on stock-in-trade, machinery, etc., by a tax on a percentage of the value of the property occupied, graded according to the type of business carried on. A report was made to the city council on this subject and also on a survey of the assessment and collection departments. This report was adopted by the city council.

Mr. Howes also coöperated with the finance commission of the new city of Windsor—made up of the former cities of Windsor and East Windsor and the towns of Walkerville and Sandwich—in the coördination of the systems of valuation for assessment purposes, in order to bring about uniformity.

The Institute has been asked to make an administrative and general survey of the village of Forest Hill, a high class residential municipality adjacent to Toronto.



RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

Public Administration and the Public Interest. By E. Pendleton Herring. New York, McGraw-Hill, 1936. 416 pp. \$3.75.

The fact that the governments of the United States have now assumed a positive responsibility for the management of the fundamental social and economic relationships has awakened students of public administration to their own new responsibilities. The Commission of Inquiry on Public Service Personnel has recently given us a series of significant monographs on personnel; there has been a revival of coördinated activity among students of administrative organizations (symbolized by the Public Administration Clearing House); and now Professor Herring presents a penetrating analysis of "the *external* aspects" of the public service.

We now have, the author believes, a bureaucracy with vast authority, an authority including the reconciliation of powerful conflicting forces in our society. But this bureaucracy suffers from the lack of an hierarchical organization, from the absence of a career service with an *esprit de corps*, from a lack of coördination, and from the failure of our political institutions to give it a sense of direction. Our spoils tradition, by which "we exchanged a weak bureaucracy concerned with the public interest for a strong and often corrupt political hierarchy," our preoccupation with the manipulative elective and legislative aspects of government, our negative attitude toward the problem of bureaucracy (demonstrated by our use of the word solely as a label of annoyance)—all these, the author maintains, have obscured the fact that today the future of democracy depends upon the supplementary development of a capable, powerful, but responsible bureaucracy. In

other words, what the politician and the layman (and even some political scientists) describe as antithetical are in reality indispensable to each other. The "public interest" cannot, in a complex industrial world, be maintained by a legislative body and an executive unless aided by an informed and capable bureaucracy.

To illuminate these significant general observations, the author presents a number of administrative case studies of important federal agencies (the bureau of internal revenue, the state department, the tariff commission, the federal trade commission, the departments of agriculture, commerce, and labor, among others), giving particular attention to the relationships between the bureaucracy and the pressure groups which "coöperate" with or resist governmental control or guidance. These studies are rich in material previously ignored by students of public administration and fully justify their predominant position in the volume. Each reveals the special climate of pressures which surrounds a particular agency: Collectively they serve to emphasize the author's contention that the sharpest present-day issue in public administration is the democratic control of an indispensable bureaucracy.

With the author's conclusions that advances toward the solution of this problem have been and can continue to be made by coördination of administrative effort, particularly at the bureau chief level; by the expansion of the agencies of consultation, especially in the form of advisory committees; and by the publicizing of administrative action, making it as open as legislative action, the reviewer is in full agreement. But the suggestion that pressure groups and the bu-

reaucracy be joined in an *entente cordiale*, carefully qualified as it is by the author, raises the question: Can a bureaucracy be "responsive" to pressure groups and remain "responsible" to democratic control? Despite this reservation, Professor Herring has written the most important book of the year on public administration.

WALLACE S. SAYRE

New York University

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Social Security in the United States. By Paul H. Douglas. New York, Whittlesey House, 1936. 384 pp. \$3.00.

As an interpreter of the federal social security act, Paul H. Douglas, professor of economics at the University of Chicago, possesses special qualifications. One of the earliest proponents of social security in the country, he portrays the events leading up to passage of the act from the vantage point not only of an interested spectator but in many instances, a participant.

In the section of the book which discusses the chief provisions of the act, relating to old-age assistance and insurance, unemployment insurance and welfare features, Professor Douglas explains what in his opinion has been omitted which should be included and what features are too restrictive. In a section indicating the probable future of social legislation his comments are even more specific. The social security act, he feels, should be regarded only as the first step.

He believes that the Social Security Board should be given the power to see that the states pay adequate old-age pensions. (Under the present provisions states can pay as low old-age pensions as they wish.) Other suggestions are that the amount of the federal subventions for old-age pensions should be raised from \$15 to at least \$20 a month and that those states which are particularly poor should receive grants to help them pay adequate pensions.

Speaking of old-age insurance, the author believes that the requirement that an aged person must withdraw from a gainful occupation in order to secure an annuity should ultimately be withdrawn. Even if the tax offset method of financing unemployment insurance is retained, as in the present act, additional funds should be obtained and used

for aiding states with high unemployment rates to maintain minimum benefits and to provide benefits for workers who migrate from state to state.

If the constitutionality of the national system of old-age insurance is upheld, the tax offset system of providing for unemployment insurance should be transformed into a national system for providing uniformity of eligibility rules and benefits for the country as a whole. The system of unemployment insurance should be reinforced by measures such as provision of emergency benefits for those who are in need when they can no longer claim standard benefits, but graduating these allowances according to a means test.

Written before the supreme court's decision in the case of the agricultural adjustment act, a chapter on the constitutional prospects points out possible lines of attack and also possible defenses. Professor Douglas emphasizes the necessity of liberal interpretation of the act. The text of the social security act is given in the appendix.

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School Finance and School Districts.

By Katherine A. Frederic. Washington, D. C., National League of Women Voters, 1936. 41 pp. 25 cents.

Provision of equal educational opportunity for all is one of the goals of our democracy. Actually the amount and quality of children's schooling depends very largely upon whether states are "comfortably fixed" or feeling the pinch of poverty. Many believe that the federal government with its broader financial powers should take a more decisive part in equalizing educational opportunity.

While concerned with this, Miss Frederic is more interested in what can be done now without devising a new tax or system of distribution, for example, establishing larger units of school taxation and administration, modernization of state revenue systems, and utilizing the best known methods of distributing state aid.

Lists of questions at the end of the pamphlet guide groups in studying the organization and finances of their local schools, state support of the school system, and also federal assistance to education.

Trend of Tax Delinquency, 1930-1935. By Frederick L. Bird. New York, Dun & Bradstreet, Inc., 1936. 26 pp. \$2.00.

Total collections for the year 1935 in cities of over 50,000 population tended to run ahead of the year's levy, not so much because of any great increase in collection of the year's current taxes as because of the growing revenue from the huge accumulation of delinquent taxes which had been piling up for several years. A chart in Dr. Bird's study portraying the median year-end delinquency in 150 cities for the period 1930-1935 shows the peak of delinquency at the end of 1933, after which it began to drop steadily.

Twenty-four cities closed their fiscal years ending in 1935 with 10 per cent or less of the year's taxes uncollected. Cities in California had the best records. The average municipality was slightly less than one-half year's levy short of realizing the total taxes due at the close of the 1935 fiscal year. While emphasizing the close relationship evidenced between good tax collection methods and low tax delinquency, the author concludes that even without further improvement in tax collections, the great majority of cities should be able to maintain balanced operations without serious difficulty.

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Municipal Index and Atlas. American City Magazine Corporation, New York City, 1936. 555 pp. \$5.00.

A number of exceptionally useful articles are included in the new material presented in this yearbook which is known for its excellent maps and lists of all incorporated places in the United States and Canada having a population of 1000 or more. Among these is an article on the new method of water disposal of garbage; another tests the efficacy of police radio by comparing crime records before and after its installation. The average rates for residential electric service are given for 1716 communities served by municipal power and there is a list of municipal gas plants in the United States. Another compilation appearing for the first time is that of state planning boards and their officers. Sewer-vent laws for the forty-eight states are given and a new section tabulates the number and types of business machines owned by 384 cities.

A Debt Administration Manual for Texas Cities. By J. T. Barton. Austin, University of Texas, 1936. 109 pp.

Difficulties of the last few years have made clear the advisability of having a long-term plan in connection with municipal debt. To aid city administrators in making such a plan this manual lays down principles which have been found sound and effective. Chapters deal with the issuance and sale of city obligations, refunding operations, the procedure incident to paying the periodical principal and interest charges on funded indebtedness, administrative aids essential to the development of a sound debt program, features which should characterize security issues, types of information on debt which a city should keep available and the state's part in debt administration.

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Training for Municipal Administration. Report of a Committee of the International City Manager's Association, Chicago, 1936. Apply to the International City Managers' Association. 20 pp.

Among the recommendations of this committee, the third to be appointed by the International City Managers' Association to consider the general subject of preparation for municipal administration, are that: (1) A general undergraduate course in public administration of a cultural character should be offered by universities, designed to attract both liberal arts students and those in the professional schools seeking a public service orientation of their courses of study; (2) an informal system of public service advisers should be established by the universities to guide the interests and ambitions of students into channels which may later prove useful to the public service; (3) graduate students should be accepted for specialized training for public administration following a carefully devised selective process; (4) a definite program should be developed providing for the absorption by the local government service of perhaps twelve apprentices a year.

Other recommendations suggest specific action to be taken by the International City Managers' Association including plans for an annual institute offering a short course in municipal administration and continuation of the association's extension work until it is

possible to offer courses covering the entire field of municipal administration.

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The Relationship of City Planning to School Plant Planning. By Russell A. Holy. New York, Bureau of Publications, Teachers College, Columbia University, 1935. 135 pp. \$1.50.

Schools located on main arteries of traffic dangerous for children, insufficient playground space, overlapping school districts, residential areas in which schools are located transferred into business sections, erection of garages or automobile service stations very near schools—a mere listing of some of the possibilities that may develop in the absence of consideration of schools in city planning indicates the importance of coöperation between school authorities and city planning commissions.

There has been little effort to coöordinate the two planning activities, according to Dr. Holy, resulting in frequent and costly mistakes. School plants should be located so there is a minimum of danger to children in traveling from home to school, and not in areas bordering railroad or other transportation lines. The location of junior and senior schools should be considered in the light of convenient transit facilities. Zoning regulations should protect schools from being surrounded by industrial and commercial plants. The city plan and plans for school buildings should be harmonized to contribute to the beauty of the city. Frequently city parks and playgrounds can be combined with school grounds advantageously.

Information to be exchanged by the city planning commission and the board of education is itemized as an approach to closer coöperation between the two.

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Survey Report of the Cincinnati Public Schools. Made by the United States Office of Education, 1935. 476 pp.

Review of Recommendations in "Survey Report of the Cincinnati Public Schools." Made by the School Survey Sponsoring Committee, 1936. 64 pp. \$1.00.

Report of Comments and Observations on "Survey Report of the Cincinnati Public Schools." By the Cincinnati Bureau of Governmental Research, 1936. 129 pp. \$1.00.

The three volumes are published by the Cincinnati Bureau of Governmental Research.

The Board of Education of Cincinnati about two years ago authorized a comprehensive study of the financial and administrative set-up of the city schools which should include recommendations for improvement. A survey was conducted by the United States Office of Education whose findings were printed in 1935. Two mimeographed reports issued recently present the reactions of the committee which sponsored the survey and the Cincinnati Bureau of Governmental Research to the recommendations made in the survey. The three volumes constitute a thorough discussion of the purpose of public education and the best methods for achieving it through the city school program.

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Outline of Governments. By Roger Shaw. New York, Review of Reviews Corporation, 1936. 212 pp. \$1.00.

The average space devoted to a country in this book is less than two pages, yet within this compass is packed a wealth of information. Every government on earth is included not excepting the remote and tiny—Iceland and Iraq, Andorra and Lichenstein. Mr. Shaw, who is foreign editor of the *Review of Reviews*, explains that his purpose is to provide a background of information which will make the reading of the daily news more understandable and interesting. In entertaining style he tells the salient facts about the government of each country but also includes such illuminating comments as "In Buenos Aires society, Englishmen are clubmen; Americans are honest fellows who had better stick to their work."

Or he tells us that Rumanians speak a language which more closely than any other tongue approximates classical Latin; that most of the ruling class of Liberia are Methodist or Baptist; that every Mexican over eighteen years old is entitled to a plot of government land for cultivation; that two monarchies are financed chiefly by England who makes annual grants to them "on condition of good behaviour."

Mr. Shaw's explanation of proportional representation is one of the clearest and most concise that has appeared in any book of popular appeal.